



Thomas Cook
(India) Limited

CONTENTS

Board of Directors	1
Directors' Report	2-5
Annexure to the Directors' Report	6
The Management Discussion and Analysis Report	7-8
Report of the Directors on Corporate Governance	9-23
Report of Various Committees of the Board	24-27
Auditors' Certificate on Corporate Governance	28
Auditors' Report on Consolidated Financial Statements	29
Consolidated Financial Statements	30-43
Consolidated Cash Flow Statement and Auditors' Certificate	44
Auditors' Report	45-47
Balance Sheet	48
Profit & Loss Account	49
Schedules	50-63
Cash Flow Statement and Auditors' Certificate	64
Information regarding Subsidiaries	65
Subsidiaries:	
• Hindustan Cargo Ltd.	66-82
• India Alive Tours Ltd.	83
• Thomas Cook Tours Ltd.	84
• Indian Horizon Travel & Tours Ltd.	85
• TC (Mauritius) Holding Company Ltd.	86-87
• TC (Mauritius) Operations Company Ltd.	88-90
Ten Financial Years' Performance	91
Charts	92-93
Enclosures:	
• Notice	
• Attendance Slip and Form of Proxy	



Thomas Cook
(India) Limited

BOARD OF DIRECTORS

P. P. MADHAVJI
Chairman

M. L. APTE

H. S. BILLIMORIA

D. P. ROY
(till 17-10-2001)

R. SUNDARARAMAN
(w.e.f. 17-10-2001)

K. DIGVIJAY SINGH

JOHN DONALDSON
(till 25-04-2001)

LESTER PORTER

ALAN STEWART

IAN AILLES
(w.e.f. 08-06-2001)

A.M. KAKKAR
*Chief Executive Officer
& Managing Director*

MADHAVAN MENON
Executive Director - Foreign Exchange

P. SREEKUMAR
*Executive Director - Finance
(w.e.f. 16-04-2001)*

SECRETARY :
R. R. KENKARE
*Head of Legal &
Company Secretary*

Auditors
Lovelock & Lewes

Advocates & Solicitors
Crawford Bayley & Co.
Desai & Diwanji

Principal Bankers
The Hongkong & Shanghai
Banking Corporation Ltd.
Standard Chartered Grindlays Bank Ltd.
State Bank of Bikaner & Jaipur
State Bank of India
Standard Chartered Bank

Registered Office
Thomas Cook Building,
Dr. Dadabhai Naoroji Road,
Mumbai 400 001

**Registrar and Share
Transfer Agents**
Tata Share Registry Ltd.
Army & Navy Building,
148, M. G. Road,
Fort, Mumbai 400 001

Website
www.thomascook.co.in



Thomas Cook
(India) Limited

DIRECTORS' REPORT

TO THE MEMBERS:

Your Directors have pleasure in presenting the Twenty-Fifth Annual Report, together with the Balance Sheet and Profit and Loss Account for the 10 months period ended 31st October, 2001.

During the year the industry faced several challenges. The Gujarat earthquake, the stock market crash, the September 11 attacks in the U.S. and the general slow down in the economy adversely affected the travel & leisure industry and its

impact is well known. Your Company has undertaken several measures to maintain the profitability of the Company and such measures has had positive impact on the performance of the company.

Thomas Cook (I) Limited (TCIL) Financial Results

	Consolidated Figures for 10 months Jan/Oct (2001)	10 months Jan/Oct (2001)	12 months Jan/Dec (2000)
Rupees in lakhs			
Revenues	7751.40	7439.47	8566.12
Profit before exceptional item and Taxation	1898.16	1900.20	2029.27
Write down of investment	277.16	277.16	Nil
Provision for Taxation	708.38	682.11	786.21
Excess provision for Taxation for earlier years Written back	Nil	Nil	121.99
Provision for deferred Taxation	29.43	28.93	*
Profit after Taxation	883.19	912.00	1365.05
Transferred to Reserve U/sec. 80 HHD of the Income Tax Act, 1961	175.00	175.00	130.00
Transferred to General Reserve	94.46	91.20	1000.00
Proposed Dividend	408.33	408.33	481.25
EPS before exceptional item	7.96	8.15	9.40
EPS after exceptional item	6.06	6.25	9.40

*Deferred taxation for the year ended 2000 amounts to Rs. 71.31 lakhs

Comparative Data for 10 months

	31st October 2001	31st October 2000	Increase
		(Rs. in lakhs)	%
Income	7439.47	7138.43	4.22
Expenditure	5539.27	5447.37	1.69
Net profit before exceptional item and tax	1900.20	1691.06	12.37
Net profit after tax and before exceptional item and deferred tax	1218.09	1137.54	7.08
Net profit after taxes and before exceptional item	1189.16	1078.12	10.30
Earnings per share	8.15	7.39	10.28

Operations & Results:

Your Company's income grew 4.22% compared to the corresponding period of the previous year. Profits before tax and exceptional item grew 12.37% during the year. The requirement to provide for deferred taxation became mandatory during this period and your company has accounted for such provisions. Similarly, profit after tax and before exceptional item for the corresponding period, after providing for deferred taxation in both periods, grew by 10.28%. Despite the downtrend in the economy, your company could achieve these results by active participation by our customers, employees and other stakeholders in the various measures and initiatives adopted by the Company. The earning per share of the company is 8.15 compared to 7.39 for the corresponding period of the previous year. The EPS before exceptional item based on consolidated profit and loss account for the period is 7.96

Dividend :

Your Directors are pleased to recommend a dividend of 28%. The dividend absorbs Rs. 40,833,332/-

General Reserve :

Your Directors have resolved to transfer Rs. 91,20,076/- to General Reserve out of the profits of the



Thomas Cook
(India) Limited

Company. In view of the transfers, the total reserves are at Rs. 76,88,41,145/- as at 10-month period ended 31st October, 2001.

Change in Financial Year :

The company changed its Financial year for the books so as to close on 31st October instead of 31st December each year. This would align the financial year for the Company with that of the Thomas Cook worldwide.

All the subsidiaries of the Company have changed their financial year to coincide with the TCIL financial year.

Directors Responsibility Statement :

As required under section 217(2AA) of the Companies (Amendment) Act 2000, the Board of Directors confirm as under:

- a) that in the preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures. The Accounts are prepared on the historical cost convention, as a going concern and on accrual basis.
- b) that the Directors have selected such accounting policies and applied them consistently except where otherwise stated in the notes to the accounts and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial year and of the Profit of the Company for that period.

- c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities. The internal auditors have conducted periodic audits to provide reasonable assurances that established policies and procedures of the company have been followed. However it must be recognized that there are inherent limitations in weighing the assurances provided by any system on internal controls.

- d) The Financial statements have been audited by Lovelock & Lewes, Chartered Accountants and Statutory Auditors of the Company.
- e) The Audit Committee of Thomas Cook (India) Limited meets periodically with internal auditors and statutory auditors, to discuss internal control, financial regulatory matters, audit programmes and the manner in which auditors are performing their responsibility.

New Developments at Thomas Cook Worldwide :

Rebranding of the Thomas Cook Logo

A new contemporary corporate identity was developed which combined the strength of the Thomas Cook brand with the 'holiday colours' of Thomas Cook AG

(Blue, Yellow and White) and was launched globally.

Your Company will roll out the new Logo in a phased manner across the country.

Thomas Cook (India) Ltd :

Operations in Mauritius

Your Company commenced operations in Mauritius last year. It has performed well during the year. It is planned to open a third branch at Grand Baie area, a Tourist destination in the North of Mauritius.

Operations in Sri Lanka

Pursuant to the acquisition of the business of Thomas Cook Overseas Ltd. (TCO) in Sri Lanka, your Company has successfully completed all the formalities for takeover as a branch of TCIL. It is fully geared to reap the potential of the Sri Lanka market.

Leisure Travel Office in Panjim, Goa

Your Company opened its leisure travel office in Panjim, Goa which will target mainly up-market tourists. The inaugural ceremony was held at Alcon Chambers at the hands of The Hon'ble Chief Minister, Mr. Manohar Parrikar. This office would be a nerve centre for all operations and would be providing charter flights for six months of the year, while for the other six months they would cater to domestic tourists, thus catering to tourists all through the year.

The new office will provide services in areas of inbound and outbound packages, domestic holidays and ticketing and travel arrangements.



Thomas Cook (India) Limited

Bidorbuy.com

As you are aware, your Company had invested in Bidorbuy, USA. On account of significant downturn in the dot.com economy, and as a measure of prudence, the Company has decided to provide for the full amount of Rs. 2.77 crores by charging it to the Profit & Loss Account, this year.

Your Company has launched India's first ever Ticket Auctions on Bidorbuyindia.com with its European tickets, in June 2001- a milestone in India's Travel History. We followed this up with tickets to Malaysia and the Far East as well as attractive Cruises and holiday packages in India and abroad.

Awards :

TTG Best Travel Agency – India Award for 2001

For the third consecutive year, your Company was selected for the prestigious TTG Best Travel Agency – India Award for 2001. The TTG Awards are presented by the Miller Freeman Publishing Group of Singapore, the publishers of Travel Trade Gazette Asia.

Best web-site from the Association of Business Communicators of India (ABCI)

thomascook.co.in is already one of the top three Travel Sites in the country and has picked up the top award for the best web-site from the Association of Business Communicators of India (ABCI)

Directors :

Mr. John Donaldson resigned from the Board effective 25th April, 2001 and in his place Mr. Ian Ailles was

appointed with effect from 8th June, 2001 as a director on the Board of the Company. All the Directors place on record their appreciation for the valuable services rendered by Mr. John Donaldson during his tenure.

Mr. D.P. Roy resigned from the Board effective 17th October, 2001 and in his place Mr. R. Sundararaman was nominated as a Director by the State Bank of India on the Board of the company. All the Directors place on record their appreciation for the valuable services rendered by Mr. D.P. Roy during his tenure.

In accordance with Article 131 of the Articles of Association of the company, Mr. Lester Porter and Mr. Alan Stewart retire by rotation and being eligible, offer themselves for re-appointment.

Auditors:

M/s. Lovelock & Lewes, Chartered Accountants, Auditors of the Company who retire at the forthcoming Annual General Meeting are eligible for re-appointment and have expressed their willingness to accept office, if re-appointed. They have given a certificate to the effect that the re-appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956. Your Directors recommend their re-appointment.

M/s. KPMG Ford, Rhodes, Thornton & Co., Sri Lanka are appointed as Branch Auditors by the Board of Directors for Thomas Cook (India) Limited in Sri Lanka

Subsidiary Companies:

The audited Statement of Accounts along with the Directors' Report of

Hindustan Cargo Ltd., India Alive Tours Ltd., Thomas Cook Tours Ltd., Indian Horizon Travel & Tours Ltd., TC(Mauritius) Holding Co. Limited and TC (Mauritius) Operations Co. Limited for the 10 months period ended 31st October, 2001 are separately attached as required under the provisions of Section 212 of the Companies Act, 1956.

Open Offer by Thomas Cook AG :

Thomas Cook AG ("TCAG"), through its wholly-owned subsidiary, Eurocenter Beteiligungs- und Reisevermittlung GmbH ("Eurocenter") made an offer to the public shareholders of TCIL, to acquire, through Thomas Cook Overseas Limited (TCOL), upto 2,916,667 fully paid-up equity shares of TCIL, representing 20% of the outstanding issued equity share capital of TCIL at a price of Rs 361.07 per share (consisting of Rs. 351.68 per share and interest of Rs 9.39 per share) payable in cash (the "Offer"). The Open Offer on the shares opened on October 16, 2001 and closed on November 14, 2001. The Managers to the Offer, M/s. J. M. Morgan Stanley Pvt. Ltd., vide their letter dated November 28, 2001, informed the Company and the stock exchanges of the results of Open Offer.

Valid tenders received:	6,525,590 shares
Shares to be accepted:	2,916,667 shares
Shares to be returned:	3,608,923 shares
Shares to be accepted as a percentage of valid tenders:	44.70%



Thomas Cook
(India) Limited

Individual communications to shareholders informing them of acceptance/rejection of shares tendered by them in the offer as well as payment for acquired shares is being sent by M/s. J. M. Morgan Stanley Pvt. Ltd., shortly.

Particulars regarding conservation of energy, technology absorption and foreign exchange earnings and expenditure:

The foreign exchange earnings during the year amounted to Rs. 11,01,26,903/-. During the year, the Company has incurred expenditure in foreign currencies towards interest, bank charges, professional fees as well as travelling for promotional activities, subscriptions, etc., as disclosed in Schedule P Note J, to the Notes to the accounts.

Since your Company does not own any manufacturing facility, the other particulars in the Companies (Disclosure of Particulars in the Report of the Board of Directors') Rules, 1988 are not submitted.

Fixed Deposits :

Your Company has not accepted deposits under section 58(A) of the

Companies Act, 1956 from the public.

Listing of Shares :

Your Company is listed on two Stock Exchanges of India viz. The Stock Exchange, Mumbai and The National Stock Exchange. The Listing Fees for the Financial Year 2001-2002 are paid to both these Stock Exchanges within the prescribed time limits.

Employees :

Relations with the employees continued to be cordial throughout the year. Your Directors place on record the appreciation of the efforts, dedication and active participation of the employee in the various initiatives of the company and contributing to the performance of the company during the year under review.

Information pursuant to Section 217(2A) of the Companies Act, 1956:

The particulars required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, forms

part of this Report and have been annexed herewith.

Corporate Governance :

The Company has taken the requisite steps to comply with the recommendations concerning the Corporate Governance. The Management Discussion and Analysis Report forms part of this report. A certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this report.

A separate report on Corporate Governance is included as a part of the Annual Report.

5

BY ORDER OF THE BOARD

P.P. MADHAVJI A. M. KAKKAR
CHAIRMAN CEO & MANAGING
DIRECTOR

MUMBAI

Dated: 6th December, 2001.



Thomas Cook
(India) Limited

ANNEXURE TO THE DIRECTORS' REPORT

Information as required under Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st October 2001

Sr. No.	Name	Age	Designation	Remuneration	Nature of Duties	Qualification	Total Experience	Date of joining TCIL	Last Employment
1	Mr. Dandapani V	55	Head of Travel Management	1327908	Responsible for developing and managing the Travel Business for TCIL.	B.Sc.	33	1st June, 1987	Attar Travels - Jeddah
2	Mr. Gupta Sunil	39	Head of Leisure Travel	1675401	Responsible for developing and managing the Leisure Travel business for TCIL	B.Tech.(Mech. Engg.) - IIT, BHU PGD in Marketing & Sales Mgmt. - IIM, Calcutta	15	8th May 2000	Hindustan Lever Ltd.
3	Mr. Kakkar Ashwini	47	Chief Executive Officer & Managing Director	5110447	Overall responsibility for the Company's operations and financial performance.	B.Sc. (Mech. Engg) PGDM- IIM, Calcutta, MBA- European Inst. of Business Admin. (INSEAD), France & L.L.B	23	16th June 1997	IGE India Ltd.
4	Mr. Kenkare R R	36	Head of Legal & Company Secretary	1236963	Ensures that the Board discharges itself of all its Statutory obligations with respect to the functioning of the Company and ensures compliance with all regulations affecting the operations of the Company.	B.Com., L.L.B., F.C.S., M.I.C.A	13	1st December 1998	Blue Dart Express Ltd.
5	Mr. Menon Madhavan	46	Executive Director - Foreign Exchange	4339700	Responsible for all matters pertaining to TCIL's FOREX activities including achievement of planned revenue through the activity's development and growth.	B.A. (Business) - Georgetown University, USA, M.B.A. (Fin. & Intl. Buss.) - George Washington University, USA	22	2nd May 2000	Birla Sun Life Asset (AMC) Ltd.
6	Mr. Nadkarni Anil	40	Head of Information Technology	1317645	Responsible for exploiting I. T applications in support of business processes for continued performance improvement.	B.Sc, D.C.M.	19	14th May 1997	Cadbury India Ltd.
7	Mr. Paranjpe Parag	36	Head of Human Resources	1315856	Responsible for the excellence of H. R. function throughout the Company so as to achieve high level of professionalism and satisfaction amongst staff.	B.A., M.A. (Personnel Mgt.)	13	1st February 1999	Schindler India Pvt. Ltd.
8	Mr. Sreekumar P #	42	Executive Director - Finance	2136125	Overall responsibility for Finance and Accounting function as also management of the Treasury function of the Company. In addition, also oversees the Secretarial and Legal, Business Process Improvement and Audit, Programmes Management and Administration functions of the Company.	B.Com (Hons), DBM, FCA, ACS	17	16th April 2001	Enron India / Dabhol Power Company
9	Mr. Thyagarajan S #	47	Head of Finance & Accounts	844262	Responsible for ensuring that Finance and Accounting systems of TCIL are consistent with the Group and Local statutory practices and ensuring their implementation. Also ensures that long term financing requirements of the Company are met in a cost effective manner. Responsible for centrally managing the Treasury function of the Company	B.Sc., A.C.A.	26	1st October 1995	Jet Airways Pvt. Limited

- Notes: 1 The nature of employment is contractual
- 2 Remuneration as shown above includes Salary, Bonus, Commission, House Rent Allowance, Company's contribution to Provident Fund and other funds and expenditure incurred by the Company on Housing, Car, Electricity, Water, Gas, Medical and Leave Travel Allowance and other allowances. Wherever the actual costs are not ascertainable, monetary value of those perquisites as per Income-tax Rules, 1962 has been considered.
- 3 # Employed for part of the year and in receipt of remuneration aggregating not less than Rs.100000/- per month.
- 4 None of the employees mentioned above is a relative of any Director of the Company.

BY ORDER OF THE BOARD

Mumbai
6th December 2001

P. P. MADHAVJI
CHAIRMAN

A. M. KAKKAR
CEO & MANAGING DIRECTOR



Thomas Cook
(India) Limited

THE MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Travel & related services :

Your company commenced the holiday tour operations in 1997. Since then the company has been in a position to consolidate its position in the market. During the year the outbound business grew 57% compared to the corresponding period last year. Your company expects to continue providing quality leisure holiday packages. Your company expects to exploit the opportunity of obtaining a significant share of the inbound charter business; operate outbound charters and promote various domestic and international holiday packages. The slowdown in the economy and regulatory constraints in the outbound charter would delay the growth in this segment for the company.

The corporate travel sector is characterised by a few major players and a large fragmented market. The airlines have decided to cap the commission to 7% from 9% effective 1st January, 2002. Travel related spending by customers also showed declining trends affecting the industry. Your Company believes that any improvement in the current sentiments and performance of the economy would have a direct positive impact on the Company.

In its endeavor to proactively manage the situation, the management continues to focus on containing costs and identify new areas of earning revenue.

Financial Services:

The Company operates in the currency management sector of the foreign exchange market and caters to all the major banks and financial institutions in the country. The business like any bank or financial institution are susceptible to the volatility of the foreign exchange market. Competition from other similar players and smaller moneychangers also impact its margins. The Company believes in providing efficient and competitive rates to its various customer groups and expects to continue to do so in the future. The competitiveness of the business is expected to be maintained by keeping costs under control and identify new channels of distribution which are efficient and cost effective.

Other businesses :

Your company provides a variety of value added services to its customers like travel insurance, global services, IAPA cards, etc. These products are in high potential market and is a opportunity your Company would exploit. During the year, your company and Standard Chartered Bank mutually agreed to terminate the co-branded credit card agreement. Your company caters to its retail customers for the requirements of foreign currency, supply and encashment of travellers cheques etc., on a competitive basis. The company follows an active policy of managing costs and provide superior service to protect its margins.

Internal Control, Audit and Systems :

Your company is committed to ensure effective internal control environment that provides assurance on the efficiency of operations, existence of internal controls and security of its assets and management of risks. Your company regularly conducts internal audits, using external and internal resources to monitor the effectiveness of internal controls in the organisation. The internal audit and business process division participates and is involved in the development and design of all major IT enabled applications and other projects to ensure the validation of the design integrity, security, internal controls and information protection.

The Audit Committee of your Board met four (4) times during the period. It is actively engaged in reviewing the reports on internal control system, financial disclosures and monitoring and implementing the internal audit recommendations.

Human Resources :

Human capital is a key element of competition advantage particularly to your company, which is service oriented. Your company aims at encouraging a corporate culture that respects people, develops and trains them to deliver high quality performance and rewards talent and performance with growth opportunities. Your company follows a strict ethics and integrity policy and values its people for their excellence and dedication.



Thomas Cook (India) Limited

Relations with the employees continue to be cordial and they provided tremendous support from various initiatives of the company. The company has completed the process of taking over the Sri Lanka operations from Thomas Cook UK and the process of integration with Thomas Cook India has begun.

With continued emphasis on development of employees and improving service quality, several training programmes were organised by your company in which more than 400 employees participated. The current employee strength of the company is 814 compared to 820 last year.

IT risks and concerns in view of the technologies - hardware, software and networking implemented in the Company :

The Information Technology is playing a pivotal role in company's business strategy. The company has networked all its offices (LAN & WAN). This has proved to be a big boon in decision making. Since the company owns a WAN the electronic communication has grown up tremendously thereby saving the cost of communications through other modes. The company's mail system is completely meshed with the Internet, thus bringing suppliers & customers closer to each other. The SAP software that was implemented 2 years ago is now able to provide the company the on-line data for analysis. The on-line Internet access to key staff members has empowered them to interact with the customer quickly by extracting the information quickly and easily. The company also established a centralised call centre serving 6 cities across the country.

All the investment in IT is susceptible to technological obsolescence rapidly. The newer versions of software that are being released by companies put more stress on the old hardware and demand either an upgrade or replacement investment. The exposure to web brings in risk of sabotage through virus attacks, hacking, etc. in spite of care being taken. With the forthcoming changes in the offing for multi media integration, more investments have to be made to remain competitive and customer friendly.



Thomas Cook
(India) Limited

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

I. Company's Philosophy on the code of governance

Since the evolution of Thomas Cook Groups' Guidelines on Corporate Governance, Thomas Cook (India) Ltd. has been practicing the principles of good Corporate Governance over the last few decades.

The Company's philosophy on the code of Corporate Governance is:

- (i) to ensure that adequate control systems exist to enable the Board in effectively discharging its responsibilities to all the stakeholders of the Company;
- (ii) to ensure that the decision making process is fair and transparent ;
- (iii) to ensure the fullest commitment of the Management and the Board to the maximization of shareholder value;
- (iv) to ensure that the employees of the Company subscribe to the corporate values and apply them in their conduct and
- (v) to ensure that the Company follows globally recognized corporate governance practices.

II. Board of Directors ('Board'):

Size of the Board

The Board consists of eleven(11) members comprising of Three(3) Executive Directors and Eight(8) Non-Executive Directors. The Chairman of the Board is a Non-Executive Director.

Thomas Cook Overseas Limited has certain rights contained in the Articles of Association pertaining to the appointment of Directors.

Responsibilities

The Board members are expected to attend and participate in all the Board meetings and Committee meetings in which they are members. The Board of Directors' responsibilities include reviewing corporate performance, ensuring adequate availability of financial resources and reporting to shareholders. During the 10 months period ended 31st October 2001, the Board met six times. Board members ensure that their other responsibilities do not materially impact their responsibility as a director of Thomas Cook. The Board constantly evaluates the contribution of its members and recommends their reappointment to its shareholders.

Board Meetings

The meetings of the Board of Directors are scheduled well in advance and generally held at the company's registered office in Mumbai. The Notice confirming the meeting is sent 10 days in advance and the detailed agenda is sent 7 days in advance to all the Directors. Senior Management of the company is invited to attend the board meetings to make presentation and provide clarifications as and when required. The Board meets at least once a quarter to review the quarterly performance and the financial results.

The six board meetings during the 10 months period ended 31st October 2001, were held on 07th February 2001, 25th April 2001, 08th June 2001, 20th June 2001, 26th July 2001 and 17th October 2001.

Memberships of other boards

Executive Directors are excluded from serving on the board of any other entity, unless specific prior approval of the Board of Directors is obtained. Independent directors are not expected to serve on the boards of competing companies. There are no other limitations other than those imposed by Law and good corporate governance.

Membership, Attendance & Directorships :

Information on Membership and Attendance of each Director at the Board of Directors meetings and the last Annual General Meeting and the Number of other Directorship and Chairmanship/Membership of Board Committees, is given below:



Thomas Cook (India) Limited

Sr. No.	Name of the Director	Category *	Designation	Board Meetings attended	Attendance at the last AGM	No. of Directorship in other Boards		No. of Chairmanship / Membership in other Board Committees	
						Public	Private	Chairman ship	Member ship
1.	Mr. P.P. Madhavji	I & N.E.D	Chairman	6	Yes	6	1	1	2
2.	Mr. A. Kakkar	E.D	Chief Executive Officer & Managing Director	6	Yes	9	1	—	2
3.	Mr. M. Menon	E.D	E.D - Foreign Exchange	6	Yes	5	—	—	1
4.	Mr. P. Sreekumar	E.D	E.D – Finance	5	Yes	3	—	—	1
5.	Mr. M. L. Apte	I & N.E.D	—	6	Yes	10	2	1	3
6.	Mr. H.S. Billimoria	I & N.E.D	—	6	Yes	5	1	2	2
7.	Mr. D. P. Roy **	I & N.E.D	State Bank of India – Nominee	4	Yes	—	—	—	—
8.	Mr. R. Sundararaman ***	I & N.E.D	State Bank of India – Nominee	—	—	14	2	2	11
9.	Mr. K. Digvijay Singh	I & N.E.D	—	5	Yes	— India	— Abroad	—	—
10.	Mr. John Donaldson ****	N.E.D	—	1	No	—	—	—	—
11.	Mr. L. Porter	I & N.E.D	—	3	Yes	—	—	—	1
12.	Mr. Ian Ailles*****	N.E.D	—	2	Yes	—	—	—	—
13.	Mr. Alan Stewart	N.E.D	—	4	—	—	64	—	—

* E.D - Executive Director, N.E.D - Non -Executive Director, I - Independent

** Resigned w.e.f. 17th October, 2001

*** Appointed in place of Mr. D. P. Roy w.e.f. 17th October, 2001

**** Resigned w.e.f. 25th April, 2001

***** Appointed w.e.f 8th June 2001 to fill the casual vacancy occurred on resignation of Mr. John Donaldson.

Leave of Absence was granted by the Board to the Directors who were absent at the respective Board Meeting/s.

1. Executive Directors:

• Responsibilities

The CEO & MD is responsible for corporate strategy, brand equity, external contacts, board matters and stakeholder relationships and certain operational matters. The Executive Directors are responsible for day to day operations, budgets and company performance. The CEO & MD and the Executive Directors periodically make presentations and appraise the Board on their responsibilities.

• Appointment

The Executive Directors are appointed by the Shareholders for a maximum period of three (3) years at a time. The CEO & MD is appointed by the shareholders for period of five (5) years at a time.

2. Independent and Non-Executive Directors :

• Role

'Independent Directors' have been defined as directors who apart from receiving directors' remuneration, do not have any other material pecuniary relationship or transactions with the company, its promoters, its



Thomas Cook
(India) Limited

management or its subsidiaries, which in the judgement of the board, may affect independence of judgement of the director.

The independent directors play an important role in deliberations at the board meetings and bring to the company their wide experience in the fields of Finance, Internet, Banking, Travel and Tourism. The Audit committee and the Recruitment and Remuneration committee consist entirely of independent directors. The Board has unfettered and complete access to any information within the Company.

Responsibilities

The Board of Directors' responsibilities include reviewing corporate performance, ensuring adequate availability of financial resources and reporting to the shareholders. During the 10 months period under review the board met six (6) times. Board members ensure that their other responsibilities do not materially impact their responsibility as a director of Thomas Cook.

- **Appointment**

The Board members are expected to possess the expertise, skills and experience required to manage and guide the Company to be the Best Travel Company in the region. Experience in Management, Strategy, Industry, Finance and Human Resources is essential. They are not expected to be on the Board of the Direct Competitor of Thomas Cook either as an Independent or Wholetime/Executive Director.

- **Remuneration policy**

The Recruitment & Remuneration Committee determines and recommends to the Board of the Company, the compensation of the directors. The Compensation committee makes regular appraisal of their performance. The compensation policy and strategy of the Company is to be competitive by following scientific methods in determining performance and compensation structures. The Shareholders determine the compensation of the executive directors for the entire period of their term. The compensation payable to each of the independent directors is limited to a fixed sum per year as determined by the Recruitment & Remuneration Committee. The aggregate of these is within the limit of 1% of the net profits of the company for the year, calculated as per the provisions of the Companies Act, 1956, as approved by the shareholders, and is separately disclosed in the financial statements.

Details of Directors being appointed and re-appointed:

As per the statute, two-third of the directors should be retiring directors. One-third of these retiring directors are required to retire every year and if eligible, these directors qualify for reappointment.

In accordance with Article 131 of the Articles of Association of the Company, Mr. Alan Stewart and Mr. Lester Porter retire by rotation at the ensuing Annual General Meeting of the Company and being eligible offer themselves for reappointment.

A brief resume of the Directors being appointed/re-appointed is as follows:

(i) **Mr. P. Sreekumar**

Mr. P. Sreekumar was appointed as an Additional and Executive Director-Finance for 3 years with effect from 16th April 2001 to 15th April 2004.

Age	: 43 years
Educational Qualifications	: B.Com (Hons), FCA, ACS, Advanced Financial Management – Indian Institute of Management, Ahmedabad.
Total Experience	: 18 years
Last Job	: Enron India Pvt. Ltd., Mumbai <ul style="list-style-type: none">• Vice President and CFO/CAO• Vice President - Special Projects
Expertise	: Project financing



(ii) **Mr. Ian Ailles**

Ian Ailles (35), who is a Chartered Accountant, was appointed Finance Director for Thomas Cook, UK, in April 2001, and is responsible for all of Thomas Cook's financial management, as well as shareholder relations and business strategy.

Since joining the company in March 1998, Ian has held numerous finance-related roles within Thomas Cook. Most recently he held the role of Director of Corporate Finance and Development since May 2000, responsible for all corporate finance projects, group strategy, group treasury, brand development and taxation.

Ian has also been Director of a Restructuring Project, a role created to look at the internal restructuring of Thomas Cook through the reduction of overheads, change in culture and the split of legal entities. His first appointment within the company was Group Financial Controller, a position he held for two years where he looked after the provision of all consolidated financial and management information.

(iii) **Mr. R. Sundararaman**

Mr. R. Sundararaman (59) who is a M.Com CAIIB presently holds the post of Dy. Managing Director & Group Executive (of Associates & Subsidiaries of State Bank of India) at its Corporate Centre. Prior to this, he was the Chief Credit Officer of the Bank. Sundararaman joined the Bank as Probationary Officer in August 1964 and has held several challenging assignments in the Bank in the area of commercial and international banking. Sundararaman was also on the Faculty of State Bank of India's apex training institution at Hyderabad for three years where he taught several subjects like credit management, international banking, marketing, etc.

(iv) **Mr. Alan Stewart**

Alan (41) was appointed Chief Executive of Thomas Cook UK Ltd on 1st April 2001. He is also a member of the Thomas Cook AG Board, in charge of the United Kingdom and Intercontinental sales markets in India, Canada and Egypt, as well as providing overall leadership for Thomas Cook AG's Airline business.

The UK business is the market's third largest vertically integrated travel group with 16,000 staff, an airline fleet of 28 aircraft and tour operating businesses that carry over 4 million customers a year.

Alan joined Thomas Cook in September 1998 as Head of Corporate Finance and Group Treasurer, and in October 1998 was appointed Chief Financial Officer. In September 1999 Alan took on the additional responsibilities of Deputy Chief Executive of Thomas Cook Holdings and Chairman of the Group's Global & Financial Services business.

Alan joined Thomas Cook following the Group's acquisition of Flying Colours in June 1998. He joined the Flying Colours Leisure Group in April 1996 as Group Finance Director.

Alan has a strong background in corporate finance gained at an international level, and a wide experience of all types of transactions on the London Stock Exchange. He is greatly experienced in mergers and acquisitions, and among his many achievements at Flying Colours was the successful introduction of a treasury and risk management approach to the business.

Alan's early career began with Samuel Montagu & Co Ltd, a Merchant Bank now part of HSBC Investment Bank, where his most recent position was Executive Director, Corporate Finance. Alan has a Bachelor Commerce (Honours) and M Commerce (dissertation degree in Finance), from the University of Cape Town and is a qualified Chartered Accountant.

(v) **Mr. Lester Porter**

Lester Porter was a member of the Executive Board of Thomas Cook Worldwide Group for thirteen years and, during that time, had responsibility for Corporate Strategy and Business Development, Human Resources and, latterly, the international businesses including Thomas Cook India Limited.

Prior to that he spent many years as a Senior Marketing Executive in a number of international blue chip companies. He retired from Thomas Cook in April 2001 and now runs his own executive coaching and consultancy practice.



Thomas Cook
(India) Limited

III. Board Committees:

To enable better and more focussed attention on the affairs of the company, the board delegates particular matters to committees of the board set up for the purpose. These committees prepare the groundwork for decision making and report at the subsequent board meeting.

(i) Audit Committee:

The Audit Committee was formed in August 1995 consisting of two Non Executive Directors and one Executive Director with the following scope:

Terms of Reference

To consider the scope of audit reviews, the effectiveness of the systems of Internal Control, Risk Management and statutory compliances.

The Committee was restructured in June 1998 under the Chairmanship of a Non Executive Director, Mr. H.S. Billimoria, who is a professional Chartered Accountant. The scope of the Committee was to decide scope of Internal Audit & Risk Committee, review reports of Internal Audit & Risk Committee and to issue directions to Internal Audit & Risk Committee.

The Committee was reconstituted in July 2000 with the revised powers as prescribed in Clause 49 of the Listing Agreement. The terms of reference of the audit committee include approving and implementing the audit procedures and techniques, reviewing the financial reporting systems, Internal control systems and control procedures and ensuring compliance with the regulatory guidelines. Meetings are scheduled well in advance.

Composition :

Sr. No.	Name of Director	Category*	Remarks
1.	Mr. H. S. Billimoria **	I & N.E.D	Chairman
2.	Mr. D. P. Roy ***	I & N.E.D	Member
3.	Mr. P. P. Madhavji	I & N.E.D	Member
4.	Mr. A. Kakkar	Permanent Invitee	Chief Executive Officer & Managing Director
5.	Mr. M. Menon	Permanent Invitee	E.D - Foreign Exchange
6.	Mr. P. Sreekumar	Permanent Invitee	E.D -Finance

* E.D - Executive Director, N.E.D - Non -Executive Director, I - Independent

** Mr. H. S. Billimoria was present at the previous Annual General Meeting held on 08th June 2001 in terms of Clause 49(II) of the Listing Agreement

*** Resigned w.e.f. 17th October 2001 and replaced by Mr. R. Sundararaman.

The audit committee also invites senior executives at these meetings. The Head of Internal Audit and the Director Audit, Thomas Cook, U.K. attend the meetings. The representatives of the auditors are also invited to the meetings. The Company Secretary acts as the secretary to the committee.

Meetings and attendance during the 10 months period ended on 31st October 2001:

The committee met four (4) times during the 10 months period under review. The said meetings were held on 31st January 2001, 19th April 2001, 24th July 2001 and 16th October 2001.

The committee also met on 5th December 2001 prior to the finalisation of accounts for the 10 months period ended October 31, 2001.

Sr. No.	Name of the Director	Category	No. of Meetings attended.
1.	Mr. H.S. Billimoria	Chairman	4
2.	Mr. P. P. Madhavji	Member	4
3.	Mr. D. P. Roy *	Member	Nil



- * Leave of absence was granted by the committee to Mr. D. P. Roy who was absent at the Committee meetings. Mr D P Roy was replaced by Mr R Sundararaman w.e.f. 17th October, 2001.

(ii) **Recruitment & Remuneration Committee:**

The Recruitment & Remuneration Committee was formed in August 1995 consisting of two Non Executive Directors and two Executive Directors to consider Human Resource Policy of the Company particularly those governing terms and conditions of employment, remuneration, retirement benefits, performance appraisal, development of high potential employees, succession planning for key positions and to make recommendations to the Board.

The Committee was restructured in June 1998 under the Chairmanship of a Non Executive Director, Mr. M. L. Apte. The scope of the Committee was also revised to include in addition to the earlier scope, power to make loans/security deposits to employees for housing/other purposes at the prescribed limit.

Terms of Reference

The Committee has the mandate to consider, review and recommend human resource policies of the company particularly those governing terms and conditions of employment, remuneration, retirement benefits, performance appraisals, developments of high potential employees and key succession planning and to make recommendations to the Board.

Remuneration Policy:

The Recruitment & Remuneration Committee determines and recommends to the Board of the Company, the compensation of the directors and employees. The Compensation committee makes regular appraisal of their performance. The compensation policy and strategy of the Company is to be competitive by following scientific methods in determining performance and compensation structures.

Human Resource Development policies for succession and delegation :

Thomas Cook has an elaborate system in place for developing an effective succession plan in the Company.

Each Head of the Business / Function is required to identify a probable successor. This is done through an objective process and the decision is based on various parameters such as;

- Competence and Skills set required for the current and future job.
- Relevant experience and age.
- Stability and long term potential of the person.

Recently, Thomas Cook conducted a detailed process to identify second line of leadership in each Business / Function.

This process will ensure that only the candidates with high caliber and potential are identified and groomed to take over Top Management positions in the Company.

Composition and attendance during the 10 months period ended 31st October 2001:

The committee met two (2) times during the 10 months period under review. The two meetings were held on 6th February 2001 and 24th April 2001.

Sr. No.	Name of the Director	Remarks	Category *	No. of Meetings attended.
1.	Mr. M. L. Apte	Chairman	I & N.E.D	2
2.	Mr. P.P. Madhavji	Member	I & N.E.D	2
3.	Mr. A.M. Kakkar	Member	E.D	1
4.	Mr. Lester Porter	Member	I & N.E.D	2

* E.D - Executive Director, N.E.D - Non -Executive Director, I - Independent



Thomas Cook
(India) Limited

Details of Remuneration to all the Directors for the 10 months period ended 31st October 2001

Name of Director	Salary (Rs.)	Benefits (Rs.)	Bonus/ Commission (Rs.)	Sitting fees (Rs.)	Total (Rs.)
Mr. Ashwini Kakkar	15,10,150.00	21,17,890.50	14,46,768.00	Nil	50,74,808.50
Mr. Madhavan Menon	9,70,000.00	25,56,900.00	7,87,481.00	Nil	43,14,381.00
Mr. P. Sreekumar	6,50,000.00	9,56,125.00	5,12,779.00	Nil	21,18,904.00
Non-Exec. Directors	Nil	Nil	9,81,081.00	2,81,000.00	12,62,081.00

(iii) Share Transfer & Shareholders/Investor Grievance Committee:

Terms of Reference

The Share Transfer Committee was formed in 1996 consisting of three (3) Executive Directors and three (3) Non-Executive Directors to approve Transfer of shares, splitting and consolidation of shares and issue of duplicate share certificates. The Committee was restructured in June 1998 under the Chairmanship of Mr. P.P. Madhavji. The revised scope included in addition to the earlier scope, transmission of shares with or without legal representation.

Composition of the Committee and attendance during the 10 months period ended 31st October 2001 :

Sr. No.	Name of the Director	Category	No. of Meetings Held	No. of Meetings attended.
1.	Mr. P. P. Madhavji	Chairman	21	17
2.	Mr. A. Kakkar	Member	21	13
3.	Mr. M. Menon	Member	21	18
4.	Mr. P. Sreekumar *	Member	21	11
5.	Mr. M. L. Apte	Member	21	2
6.	Mr. H. S. Billimoria	Member	21	1
7.	Mr. D. P. Roy **	Member	21	—
8.	Mr. K. Digvijay Singh	Member	21	4

* Appointed w.e.f. 16th April 2001

** Resigned w.e.f. 17th October 2001 and Mr. R. Sundararaman was appointed in his place

Name and Designation of Compliance Officer:

R.R. Kenkare, Head of Legal & Company Secretary

Number of shareholders complaints received so far/Number not solved to the satisfaction of shareholders/
Number of pending share transfers:

Sr. No.	Nature of Complaint/Query	Total Recd.	Total Replied	Pending Queries Days			Remarks if any
				0-7	7-15	Above -15	
(1)	Non Receipt of Interest/ Dividend warrants	57	57	—	—	—	—
	(A) Warrant already paid	9	9	—	—	—	—
	(B) Fresh cheques issued against request for duplicate warrants	17	17	—	—	—	—
	(C) Reply sent giving warrant details (Reconciliation in process)	13	13	—	—	—	—
	(D) Misc. queries in connection with payment	18	18	—	—	—	—



Thomas Cook
(India) Limited

Sr. No.	Nature of Complaint/Query	Total Recd.	Total Replied	Pending Queries Days			Remarks if any
				0-7	7-15	Above -15	
(2)	Inquiry pertaining to non receipt of shares sent for transfer	24	24	—	—	—	—
(3)	Inquiry of dematerialisation of shares	25	25	—	—	—	—
(4)	Name correction	1	1	—	—	—	—
(5)	Letters received from SEBI and other Statutory bodies	11	11	—	—	—	—
	Other Correspondence / request received						
(6)	Change of address	138	138	—	—	—	—
(7)	ECS/Mandate Registration	57	57	—	—	—	—
(8)	Loss of shares	108	108	—	—	—	—
(9)	Split/Consolidation/Renewal/ Duplicate issue of certificates	8	8	—	—	—	—
(10)	Request for nominations	16	16	—	—	—	—
(11)	Tax exemption forms	2	2	—	—	—	—
(12)	Transmission of Securities	22	22	—	—	—	—
(13)	Exchange/Sub division of old shares	1	1	—	—	—	—
(14)	Dividend/interest queries including request for changes on live warrants (death certificates/change in bank mandate details/name correction, etc.)	143	143	—	—	—	—
(15)	Fresh cheques issued against time barred instruments	9524	9524	—	—	—	—
(16)	Document registration	25	25	—	—	—	—
(17)	Queries related to Bonus issues	161	161	—	—	—	—
(18)	Open Offer	24	24	—	—	—	—
(19)	Others (Miscellaneous)	224	224	—	—	—	—
(20)	Number of pending share transfers	—	—	—	—	—	—



Thomas Cook
(India) Limited

(iv) **Sub-Committee of the Board:**

Terms of reference

The Board of Directors formed a sub-committee at its meeting held on 25th April 2001 to handle day to day matters other than those specifically required to be decided by the Board of Directors in the Companies Act, 1956.

Composition

The members of the sub-committee of the Board are:

Mr Ashwini Kakkar- CEO & Managing Director

Mr Madhavan Menon - Executive Director – Foreign Exchange

Mr P Sreekumar- Executive Director – Finance.

Attendance

The sub-committee meets once in a month or as and when required.

IV. Other qualitative information:

1. Contribution to society :

- Thomas Cook is one of the core committee members of the Heritage Mile Association (The entire stretch from Hutatma Chowk to C.S.T has been declared a Heritage Mile). This association is actively working towards restoring this mile/stretch of the road to its past glory.
- Thomas Cook and its employees participated in Fund raising drives on occurrence of National calamities.

2. Ethical code of conduct

The Company follows a strict ethics and integrity policy, which among other things requires every employee to provide a written undertaking to comply with the policy.

V. Annual General Meetings:

Location and time where last three Annual General meetings held:

Location	Date	Time
M.C. Ghia Hall,	28 th April 1999	11.30 a.m.
Bhogilal Hargovindas Building,	19 th April 2000	3.30 p.m.
2 nd Floor, 18/20,	8 th June 2001	2.30 p.m. (EGM) *
Kaikhushru Dubash Marg,	8 th June 2001	3.30 p.m.
Mumbai 400 001		

* EGM - Extraordinary General Meeting

Whether special resolutions were put through postal ballot last year, details of voting pattern:

Condor & Neckermann Touristic AG now known as Thomas Cook AG ("TCAG"), through its wholly-owned subsidiary, Eurocenter Beteiligungs- und Reisevermittlung GmbH ("Eurocenter") made an application to the Securities & Exchange Board of India ("SEBI") seeking exemption, in terms of Regulation 3 and 4 of the Regulations, from making a public offer for acquiring the shares of TCIL. SEBI, by its order dated March 20, 2001 (the "SEBI order") under the regulations, granted exemption to TCAG and Eurocenter from making an open offer to the public shareholders of TCIL provided the shareholders of TCIL approve, by way of special resolution, the indirect change in control in a general meeting, where voting through postal ballot was permitted and TCAG either by itself or through its subsidiaries, did not participate in the voting. Pursuant to the SEBI Order, TCAG informed TCIL and requested that a General Meeting of the shareholders of TCIL be held in order to pass a special resolution as required under the SEBI Order. TCIL convened and held an extra-ordinary general meeting for this purpose on June 8, 2001.



Thomas Cook
(India) Limited

Person who conducted the postal ballot exercise:

The Company Secretary was authorised by the Board of Directors for issuance of Notice of the Extraordinary General Meeting (EGM) alongwith the Postal Ballot form. The Postal Ballot (Passing of resolutions) Rules, 2001 were not applicable at that time. The Postal Ballot forms received were forwarded to the Share Transfer Agents viz. Tata Share Registry Limited. The Chairman of the EGM appointed 2 scrutineers, at the meeting, who completed the process of counting and submitted their report to the Chairman of the EGM.

Details of voting pattern :

No. of Postal Ballot Forms received	736
No of Polling Papers (at EGM)	60
No. of votes cast in favour of the resolution	29,00,108
No. of votes cast against the resolution	9,83,736
Invalid Postal Ballot Forms & Polling Papers	73

Result : The special resolution for approval of change of control was defeated and could not be passed for want of requisite majority. The results of the extra-ordinary general meeting were declared on June 21, 2001.

Open Offer on the Shares of TCIL

Thomas Cook AG ("TCAG"), through its wholly-owned subsidiary, Eurocenter Beteiligungs- und Reisevermittlung GmbH ("Eurocenter") made an offer to the public shareholders of TCIL, to acquire, through Thomas Cook Overseas Limited (TCOL), upto 2,916,667 fully paid-up equity shares of TCIL, representing 20% of the outstanding issued equity share capital of TCIL at a price of Rs 361.07 per share (consisting of Rs. 351.68 per share and interest of Rs 9.39 per share) payable in cash (the "Offer"). The Open Offer on the shares opened on October 16, 2001 and closed on November 14, 2001. The Managers to the Offer, M/s. J. M. Morgan Stanley Pvt. Ltd., vide their letter dated November 28, 2001, informed the Company and the stock exchanges of the results of Open Offer.

Valid tenders received:	6,525,590 shares
Shares to be accepted:	2,916,667 shares
Shares to be returned:	3,608,923 shares
Shares to be accepted as a percentage of valid tenders:	44.70%

Individual communications to shareholders informing them of acceptance/rejection of shares tendered by them in the offer as well as payment for acquired shares is being sent by M/s. J. M. Morgan Stanley Pvt. Ltd., shortly.

VI. Related Party Transactions:

Disclosures:

- The Company does not have any related party transactions that may have any potential conflict with the interest of the Company at large.
- The Company has complied with all the requirements of regulatory authorities on capital markets and no penalties, strictures have been imposed against it.

VII. Means of communication:

- Half-yearly report was sent to each household of shareholders for the period ending 30th June 2001.
 - The Quarterly results of the Company published in the proforma prescribed by the Stock Exchange, Mumbai (BSE) and The National Stock Exchange of India Ltd. (NSE) are approved and taken on record by the Board of Directors of the Company within one month of the close of the respective quarter. The approved results are forthwith sent to BSE & NSE as prescribed in the Listing Agreement. Further, the results in the prescribed proforma alongwith the detailed press release is published within 48 hours in the media ensuring wider publicity. As the audited annual results are published within the stipulated period of three months from the close of the financial year as required by the Listing Agreement with the Stock Exchange/s, the unaudited results for the last quarter of the financial year are not published.
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Thomas Cook
(India) Limited

- Quarterly results are published in Economic Times (in English) and Maharashtra Times (in Marathi). The Audited Financial Results of the company are published in The Times of India (in English) and Maharashtra Times (in Marathi)
- Quarterly results have been hosted on the Company's website www.thomascook.co.in effective quarter ended December 31, 2000.
- All the official news releases and presentations on significant developments in the Company are hosted on Company's website and provided to the analysts and the press simultaneously from time to time.
- The Management Discussion and Analysis Report is attached with the Directors Report in this Annual Report.

VIII. General Shareholder information:

Annual General Meeting	:	25 th Annual General Meeting
Date	:	Thursday, 28 th February, 2002
Time	:	3.30 p.m.
Venue	:	M.C. Ghia Hall Bhogilal Hargovindas Building 2 nd Floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400 001.
Financial Calendar	:	November to October
Book closure	:	Tuesday, 12 th February, 2002 to Thursday 28 th February, 2002
Dividend payment date	:	15 th March, 2002
Listing on Stock Exchanges	:	The Stock Exchange, Mumbai, 1 st Floor, New Trading Ring, Rotunda Building, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001. Telephone: 022-272 1233/34 Facsimile: 022-272 1919/3027 National Stock Exchange of India Ltd Exchange Plaza, 5 th Floor, Plot No.C/1 G Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051 Telephone: 022-659 8100 Facsimile: 022-659 8237/38
Stock Code	:	The Stock Exchange, Mumbai Securities in - Physical Form No. 413 Electronic Form No. 500413 Scrip Name – THOMAS CK IN National Stock Exchange of India Ltd Symbol - THOMASCOOK Series - EQ Scrip Name – THOMAS COOK
ISIN	:	INE332A01019
Market Price Data	:	High, Low during each month for the 10 months period ended on 31 st October 2001 (Change in Financial year from January – December to November – October)



Thomas Cook
(India) Limited

The Stock Exchange, Mumbai (BSE):

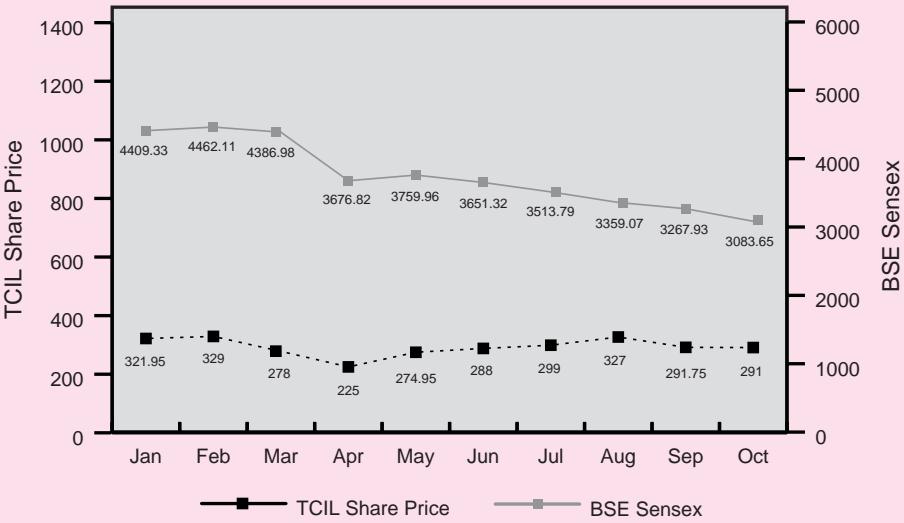
Sr. No.	Month	High (Rs.)	Low (Rs.)
1	Jan	321.95	276.10
2	Feb	329.00	261.00
3	Mar	278.00	205.80
4	Apr	225.00	194.00
5	May	274.95	190.10
6	June	288.00	247.05
7	July	299.00	245.00
8	Aug	327.00	270.15
9	Sept	291.75	237.25
10	Oct	291.00	246.00

The National Stock Exchange of India Limited (NSE):

Sr. No.	Month	High (Rs.)	Low (Rs.)
1	Jan	321.00	281.00
2	Feb	329.90	261.00
3	Mar	279.80	210.00
4	Apr	226.00	192.00
5	May	274.00	186.90
6	June	288.00	246.15
7	July	279.80	247.00
8	Aug	327.00	270.05
9	Sept	294.00	230.00
10	Oct	290.00	247.00

Performance in comparison to broad-based indices such as BSE Sensex, CRISIL index etc.

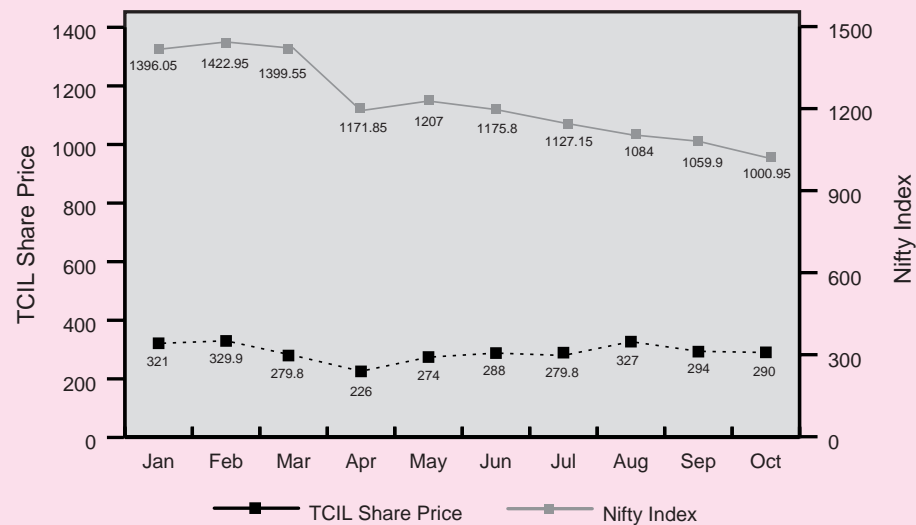
Performance of TCIL Share Price vis-a-vis BSE Sensex
for the 10 months period ended 2001





Thomas Cook
(India) Limited

Performance of TCIL Share Price vis-a-vis S&P CNX Nifty for the 10 months period ended 2001



Registrar & Transfer Agents : Tata Share Registry Limited,
Army and Navy Building,
148, Mahatma Gandhi Road,
Fort, Mumbai 400 001.
Tel. No. : 91-22-287 3831

Fax. No. : 91-22-284 4160
Email id : csg-unit@tatashare.com
Web-site : www.tatashare.com

Share Transfer System:

Share Transfer is normally effected within a maximum period of 30 days from the date of receipt, if all the required documentation is submitted. All share transfers are approved by the Share Transfer & Shareholders'/Investors' Grievance Committee which meets every fortnight.

Distribution of shareholding (as on 31.10.2001):

Sr. No.	Range			Holdings	Amount (Rs)	% to Capital	No. of Shareholders	% to Shareholders
1.	1	to	5000	1419724	14197240	9.74	14446	87.82
2.	5001	to	10000	638651	6386510	4.38	886	5.39
3.	10001	to	20000	1010402	10104020	6.93	877	5.33
4.	20001	to	30000	270298	2702980	1.85	118	0.72
5.	30001	to	40000	132003	1320030	0.91	39	0.24
6.	40001	to	50000	152474	1524740	1.05	34	0.21
7.	50001	to	100000	213623	2136230	1.46	32	0.19
8.	Greater	than	100000	10746158	107461580	73.68	16	0.10
	Total....			14583333	145833330	100.00	16448	100.00



Thomas Cook
(India) Limited

Categories of Shareholders as on 31.10.2001:

Sr. No.	Shares held by	No. of Shares	Percentage (%)
1.	Foreign Holdings		
a.	Foreign Collaborators	5833333	40.00
b.	Foreign Financial Institution	246471	1.69
c.	Overseas Corporate Bodies	500	0.00
d.	Other NRI's	43601	0.30
	Total (a+b+c+d)	6123905	41.99
2.	Govt./Govt. Sponsored Financial Institutions		
a.	Unit Trust of India	702461	4.82
b.	The Oriental Insurance Company Ltd	32051	0.22
c.	Nationalised Banks -	20629	0.14
	Total (a+b+c)	755141	5.18
3.	Foreign Banks	2018	0.01
4.	Other Banks	7462	0.05
5.	Mutual Funds	53070	0.36
6.	Bodies Corporate	589535	4.04
7.	Directors & their Relatives		
a.	Mr. P.P. Madhavji & relatives	7086	0.04
b.	Mr. A. M. Kakkar & relatives	4009	0.03
c.	Mr. M. L. Apte	8517	0.06
	Total (a+b+c)	19612	0.13
8.	Tata Share Registry Ltd - Escrow A/c Open Offer for shares of TCIL.	3308845	22.70
9.	Other Resident Individuals	3723745	25.54
	GRAND TOTAL (1+2+3+4+5+6+7+8+9)	14583333	100.00

Dematerialisation of shares and liquidity:

Status of dematerialisation as on 31st October 2001:

Particulars	No. of shares	% age to capital	No. of Accounts
National Securities Depository Limited	6985668	47.90	11646
Central Depository Securities Limited	45246	0.31	238
Total Dematted:	7030914	48.21	11884
Physical	7552419	51.79	4564
Total	14583333	100.00	16448



Thomas Cook
(India) Limited

Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity:

The Company has not issued any of these instruments so far.

Plant Locations:

The Company does not carry on any manufacturing activities. The Company offers its existing range of services of Foreign Exchange, Corporate Travel, Leisure Travel, Card Products and Call Centre through its network of 51 offices in 16 cities.

Address for correspondence : Thomas Cook (India) Limited,
Thomas Cook Building,
Dr D N Road, Fort,
Mumbai 400 001
Telephone: (022) 204 8556/7/8
Facsimile: (022) 287 1069
Email: sharedept@tcookin.com



Thomas Cook
(India) Limited

REPORT OF VARIOUS COMMITTEES OF THE BOARD

Report of the Audit Committee to the Members :

The Audit Committee of the Board consisted of the following:

Mr. H S Billimoria
Mr. P P Madhavji
Mr. D P Roy/Mr. R Sundararaman

Mr.R R Kenkare, Head of Legal & Company Secretary, acted as the secretary of the Committee.

The Audit Committee which was originally formed in August 1995 consisted of two Non Executive Directors and one Executive Director. Since January 2001, however, the Audit Committee consists exclusively of Non Executive Directors.

The Committee has, inter alia, overseen the Company's financial reporting system and the disclosure of financial information. The committee reviewed the independence of both the internal and statutory auditors. The committee discussed the quality of the accounting principles applied and made significant judgments on issues affecting the financial statements. The committee also discussed with the internal and statutory auditors and with the line managers underlying assumptions affecting financial statements and other significant decisions made by the management in the course of preparation of the financial statements. The committee also reviewed the reports of the Risk Management Committee. The internal controls put in place to ensure that the accounts of the company are properly maintained and that prevailing laws and regulations are complied with were reported upon by the internal auditors and the statutory auditors to the committee. Based on these reports, the committee found no material discrepancy or weakness in the internal system of the company.

The committee recommended to the Board the reappointment of M/s. Lovelock & Lewes, as statutory auditors of the Company for the year ended 31st October,2002. The committee also recommended the appointment of the internal -auditors along with the scope of work and fees payable to them.

Mumbai
December 5,2001

H S Billimoria
Chairman, Audit Committee



Thomas Cook
(India) Limited

Report of the Recruitment & Remuneration Committee to the Members :

The Recruitment & Remuneration Committee met 2 times during the 10 months period under review and the requisite quorum was present from among the following members of the Committee:

Mr. M. L. Apte
Mr. P. P. Madhavji
Mr. A. M. Kakkar
Mr. L. Porter

Mr. P. Paranjpe, Head of Human Resources, acts as the Rapporteur of the Committee.

Appointment of Executive Director-Finance :

The Company appointed Mr. P. Sreekumar as Executive Director-Finance in the month of April 2001. Mr. Sreekumar's appointment was approved by the Board and the AGM.

Salaries:

The Committee reviewed and approved the compensation payable to the Executive Directors of the company for the 10 months period under review within the overall limits approved by the shareholders. Information on compensation and other benefits provided to Executive Directors is disclosed in the annual report. The Committee also reviewed the compensation proposed for all the management committee members. The Committee believes that the proposed compensation and benefits is adequate to motivate and retain the senior officers of the company.

The Committee reviewed the proposal for increments to be paid to employees for the year 2000. The Committee deliberated and approved an average increment rate of 8.30%.

The Committee reviewed the performance of the Company and approved the proposal for payment of Performance Linked Variable Bonus to employees.

Independent directors:

Independent directors are paid compensation not exceeding the limit specified by statute and based on the approval of the members of the company. This is to compensate the independent directors for their contribution on various deliberations at the meeting/s and also for the responsibilities undertaken. The table, below, discloses the compensation payable to independent directors for the period ended 31st October, 2001.

in Rs.	
Name	Commission payable
Mr. P. P. Madhavji	4,57,838.00
Mr. M. L. Apte	1,30,810.75
Mr. H. S. Billimoria	1,30,810.75
Mr. J. Ballabh / Mr. D. P. Roy	1,30,810.75
Mr. K. Digvijay Singh	1,30,810.75
Total	9,81,081.00

The following directors representing Thomas Cook Overseas Ltd. have waived their entitlement to compensation

Mr. Lester Porter
Mr. Alan Stewart
Mr. John Donaldson
Mr. Ian Ailles

Save other than as disclosed, none of the directors had a material beneficial interest in any contract of significance to which the company or any of its subsidiary undertakings was a party, during the financial year.

Mumbai
December 5, 2001

M. L. Apte
Chairman
Recruitment & Remuneration Committee



Thomas Cook
(India) Limited

Report of the Share Transfer & Shareholders/Investors Grievance Committee to the Members :

The Share Transfer & Shareholders/Investors Grievance Committee of the board met 21 times during the 10 months period under review. The Committee attended to share transfer formalities once in a fortnight as stipulated under Clause 49 of the Listing Agreement. The requisite quorum was present from among the following members of the Committee:

Mr. P. P. Madhavji
Mr. A. Kakkar
Mr. M. Menon
Mr. P. Sreekumar
Mr. M. L. Apte
Mr. H. S. Billimoria
Mr. D. P. Roy/Mr. R. Sundararaman
Mr. K. Digvijay Singh

Mr. R. R. Kenkare, Head of Legal & Company Secretary, acts as the Secretary of the Committee.

The Share Transfer Committee was formed in 1996 consisting of three Executive Directors and three Non-Executive Directors with the mandate to approve transfer of shares, splitting and consolidation of shares and issue of duplicate share certificates and transmission of shares with or without legal representation.

The Committee took note of various shareholder requests received from the Registrars & Share Transfer Agents, i.e. Tata Share Registry Limited, and directly by the Company.

No. of requests received	10,628
No. of requests attended to	10,628
No. of requests pending	—

Mumbai
6th December, 2001

P. P. Madhavji
Chairman
Share Transfer & Shareholders'/
Investors' Grievance Committee



Thomas Cook
(India) Limited

Report of the Sub-Committee of the Board to the Members :

The Board of Directors formed a sub-committee at its meeting held on 25th April 2001. The Sub-Committee of the Board met 3 times during the 6 months period ending 31st October, 2001. The requisite quorum was present from the among the following members of the Committee:

Mr. A. Kakkar
Mr. M. Menon
Mr. P. Sreekumar

Mr. R. R. Kenkare, Head of Legal & Company Secretary, acts as the secretary of the Committee.

The Board has delegated certain powers of routine nature required to effectively manage the day to day affairs of the Company. The sub-committee consists of the CEO & Managing Director, Executive Director – Foreign Exchange and Executive Director – Finance. The sub-committee meets once in a month or as the need be.

Mumbai
November 22, 2001

A. Kakkar
Chairman, Sub-Committee of the Board



Thomas Cook
(India) Limited

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT(S)

To the Members of
Thomas Cook (India) Limited

1. We have reviewed the implementation of Corporate Governance procedures by Thomas Cook (India) Limited (the Company) during the ten months period ended 31st October 2001, with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.
2. The Compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

3. On the basis of our review and according to the information and explanations given to us, the conditions of Corporate Governance as stipulated in Clause 49 of the listing agreement(s) with the Stock Exchange(s) have been complied with in all material respect by the Company.

28

For and on behalf of
Lovelock and Lewes
Chartered Accountants

SANJAY HEGDE
Partner

Mumbai
Dated : 6th December, 2001



Thomas Cook
(India) Limited

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS OF THOMAS COOK (INDIA) LIMITED AND ITS SUBSIDIARIES

1. We have audited the attached consolidated balance sheet of "Thomas Cook (India) Limited and its Subsidiaries" as at 31st October, 2001 and the related consolidated profit and loss account for the period of ten months ended on that date.
2. These financial statements have been prepared on the basis of separate financial statements of Thomas Cook (India) Limited and its Subsidiaries. These separate financial statements were prepared in compliance with the statute applicable to such entities and upon which the necessary reports of auditors have been separately issued as

required by such statutes containing the requisite audit opinions.

3. These financial statements are the responsibility of the company's management.
4. The scope of the audit of the consolidated financial statements is limited to an understanding of the manner in which the consolidated financial statements have been compiled and making inquiries as were considered necessary for the purpose of our audit.
5. Based on the above nothing has come to our notice that cause us to believe that the consolidated financial

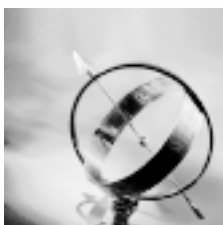
statements referred to in this report have not disclosed information in accordance with the relevant accounting standards or contains any material mis-statements.

For Lovelock & Lewes
Chartered Accountants

SANJAY HEGDE
Partner

Mumbai

Dated: 6th December, 2001



Thomas Cook
(India) Limited

CONSOLIDATED BALANCE SHEET AS AT 31ST OCTOBER, 2001

	Schedule	As at 31st October, 2001 Rs.
I. SOURCES OF FUNDS :		
SHAREHOLDERS' FUNDS :		
Share capital	A	14,58,33,330
Reserves and surplus	B	77,59,14,917
		<u>92,17,48,247</u>
LOAN FUNDS :		
Secured loans	C	20,58,78,538
Unsecured loans	D	4,87,87,558
		<u>25,46,66,096</u>
	TOTAL :	<u><u>1,17,64,14,343</u></u>
II. APPLICATION OF FUNDS :		
FIXED ASSETS :		
Gross block	E	69,54,70,470
Less : Depreciation/Amortisation		24,26,30,639
Net block		<u>45,28,39,831</u>
Advances for capital expenditure		43,78,656
		<u>45,72,18,487</u>
INVESTMENTS	F	<u>15,43,551</u>
CURRENT ASSETS, LOANS AND ADVANCES :		
Sundry debtors	G	35,46,54,170
Cash and bank balances	H	54,01,58,371
Loans and advances	I	27,02,45,653
		<u>1,16,50,58,194</u>
LESS : CURRENT LIABILITIES AND PROVISIONS :		
Current liabilities	J	33,34,29,706
Provisions	K	5,96,66,561
		<u>39,30,96,267</u>
NET CURRENT ASSETS		<u>77,19,61,927</u>
DEFERRED TAX LIABILITY		<u>(5,86,81,643)</u>
MISCELLANEOUS EXPENDITURE :		
(to the extent not written off or adjusted)		
Startup costs of new businesses		43,72,021
	TOTAL :	<u><u>1,17,64,14,343</u></u>

Notes to the accounts

P

Schedules "A" to "K" and "P" referred to above form an integral part of the Balance Sheet

This is the Balance Sheet referred to in our report of even date

For Lovelock & Lewes
Chartered Accountants

SANJAY HEGDE
Partner

Mumbai
Dated : 6th December, 2001

For and on behalf of the Board of Directors

P. P. MADHAVJI - CHAIRMAN

A. M. KAKKAR - CHIEF EXECUTIVE OFFICER &
MANAGING DIRECTOR

P. SREEKUMAR - EXECUTIVE DIRECTOR - FINANCE

M. MENON - EXECUTIVE DIRECTOR - FOREIGN EXCHANGE

R. R. KENKARE - HEAD OF LEGAL & COMPANY SECRETARY

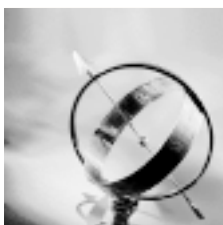
Mumbai
Dated : 6th December, 2001



Thomas Cook
(India) Limited

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST OCTOBER, 2001

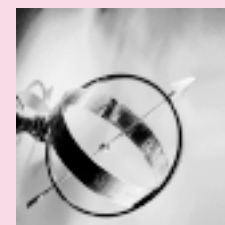
	Schedule	Period ended 31st October, 2001 Rs.
INCOME :		
Turnover		74,97,32,347
Other income	L	2,54,08,027
	TOTAL :	77,51,40,374
EXPENDITURE :		
Personnel expenses	M	19,09,45,297
Advertisement and business promotional expenses		5,81,51,575
Interest expense	N	1,11,14,413
Other expenses	O	26,69,65,239
Amortisation of startup cost		1,07,05,406
Depreciation	E	4,74,42,193
	TOTAL :	58,53,24,123
Net profit before exceptional item and taxation		18,98,16,251
Diminution in the value of investment [Refer Note 3 (d) in schedule 'P']		2,77,15,714
Provision for taxation		7,08,37,610
Less : Deferred tax effect of timing differences originating during the period		29,43,496
Profit after taxation		8,83,19,431
Transferred from reserve as required under Section 80HHD of the Income-tax Act, 1961		1,75,00,000
Transferred to reserve as required under Section 80HHD of the Income-tax Act, 1961		1,75,00,000
		8,83,19,431
Balance brought forward from last year		5,19,48,506
Amount available for appropriations		14,02,67,937
Less : Appropriations		
Proposed dividend		4,08,33,332
Corporate dividend tax (net of provision Rs.59,67,500/- written back)		(14,96,500)
Transferred to general reserve		94,46,486
Balance carried to balance sheet		9,14,84,619
Notes to the accounts	P	
Schedules "E", "L" to "O" and "P" referred to above form an integral part of the Profit and Loss Account		
This is the Profit and Loss Account referred to in our report of even date		
For Lovelock & Lewes Chartered Accountants	For and on behalf of the Board of Directors	
	P. P. MADHAVJI - CHAIRMAN	
	A. M. KAKKAR - CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR	
SANJAY HEGDE Partner	P. SREEKUMAR - EXECUTIVE DIRECTOR -FINANCE	
	M. MENON - EXECUTIVE DIRECTOR -FOREIGN EXCHANGE	
	R. R. KENKARE - HEAD OF LEGAL & COMPANY SECRETARY	
Mumbai Dated : 6th December, 2001	Mumbai Dated : 6th December, 2001	



Thomas Cook
(India) Limited

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST OCTOBER, 2001

	Rs.	As at 31st October, 2001 Rs.
SCHEDULE "A" : SHARE CAPITAL :		
Authorised :		
2,00,00,000 Equity shares of Rs.10/- each		20,00,00,000
Issued and subscribed :		
1,45,83,333 Equity shares of Rs.10/- each fully paid-up		14,58,33,330
1) of the above, 2,79,993 Equity shares of Rs.10/- each, fully paid-up, have been allotted to Thomas Cook Overseas Limited, U.K. for consideration other than cash		
2) includes 1,38,83,333 Equity shares issued as fully paid-up bonus shares by capitalisation of general reserve and capital reserve		
SCHEDULE "B" : RESERVES AND SURPLUS :		
Reserve as required under Section 80HHD of the Income-tax Act, 1961 :		
Balance as per last balance sheet	10,85,00,000	
Add : Transferred from profit and loss account	1,75,00,000	
	12,60,00,000	
Less : Transferred to profit and loss account	1,75,00,000	
		10,85,00,000
General reserve :		
Balance as per last balance sheet	62,21,50,932	
Less : Deferred tax liability as at start of the year	5,56,67,120	
	56,64,83,812	
Add : Transferred from profit and loss account	94,46,486	
		57,59,30,298
Balance in profit and loss account		9,14,84,619
		77,59,14,917
SCHEDULE "C" : SECURED LOANS :		
Overdraft from banks		20,58,78,538
(Secured by hypothecation of book debts, stock of currencies and paid documents)		
		20,58,78,538
SCHEDULE "D" : UNSECURED LOANS :		
Overdraft from banks		30,58,592
From Deutsche Bank AG, Frankfurt, Germany (temporary overdraft in normal course of business)		91,33,770
From West pack, Sydney (temporary overdraft in normal course of business)		16,14,147
From Credit Suisse, Zurich (temporary overdraft in normal course of business)		26,30,148
From HSBC, London (temporary overdraft in normal course of business)		3,15,69,793
From Hatton National Bank, Sri Lanka (temporary overdraft in normal course of business)		87,798
From Pan Asia Bank, Sri Lanka (temporary overdraft in normal course of business)		6,93,310
		4,87,87,558



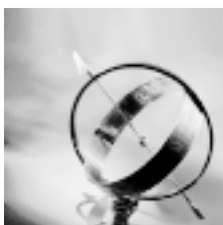
Thomas Cook
(India) Limited

SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST OCTOBER, 2001

SCHEDULE "E" : FIXED ASSETS

Details	GROSS BLOCK				DEPRECIATION				NET BLOCK
	Cost as at 31st December, 2000 Rs.	Additions during the period Rs.	Disposal/ Adjust- ments Rs.	Cost as at 31st October, 2001 Rs.	Upto 31st December, 2000 Rs.	For the period Rs.	On Deduc- tions Rs.	Upto 31st October, 2001 Rs.	As at 31st October, 2001 Rs.
Goodwill	88,31,169	—	—	88,31,169	17,66,234	14,71,862	—	32,38,096	55,93,073
Leasehold properties	2,30,14,187	—	—	2,30,14,187	2,24,75,881	23,346	—	2,24,99,227	5,14,960
Freehold premises #	24,18,44,218	58,37,364	—	24,76,81,582	1,93,86,312	32,94,664	—	2,26,80,976	22,50,00,606
Strong room	6,74,425	—	—	6,74,425	4,29,481	35,556	—	4,65,037	2,09,388
Furniture and fixtures	9,86,11,930	92,09,986	70,326	10,77,51,590	3,03,78,839	58,47,060	38,302	3,61,87,597	7,15,63,993
Computers	15,30,21,523	1,24,84,221	99,933	16,54,05,811	9,26,11,163	2,66,89,690	99,930	11,92,00,923	4,62,04,888
Office equipment	8,29,78,798	1,17,50,981	5,80,265	9,41,49,514	1,64,76,492	49,28,916	2,11,846	2,11,93,562	7,29,55,952
Vehicles # #	3,84,99,823	1,20,29,382	25,67,013	4,79,62,192	1,39,19,820	51,51,099	19,05,698	1,71,65,221	3,07,96,971
GRAND TOTAL	64,74,76,073	5,13,11,934	33,17,537	69,54,70,470	19,74,44,222	4,74,42,193	22,55,776	24,26,30,639	45,28,39,831

NOTE : # Cost of Freehold premises includes :
a) 110 unquoted fully paid shares in various co-operative societies amounting to Rs.5,750/-
b) Rs.2,540/- towards share application money to various co-operative societies.
c) Rs.96,29,164/- for premises on freehold land where the Company is yet to be registered as the owner of a proportionate share in land.
d) Rs.15,01,86,286/- for premises where the co-operative society is yet to be formed.
includes Rs. 13,37,104/- assets purchased under Hire Purchase agreement.



Thomas Cook
(India) Limited

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST OCTOBER, 2001

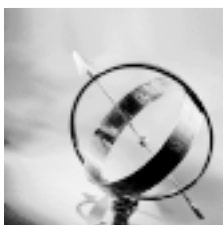
	As at 31st October 2001 Rs.
SCHEDULE "F" : INVESTMENTS (Long-term, Trade) :	
Equity shares :	
Quoted :	
Tangerine Beach Hotel Limited 1,96,831 Ordinary shares of SLR 10/- each fully paid-up	12,79,624
Unquoted :	
Bidorbuy.com 5,00,000 Ordinary shares of USD 0.01 each fully paid-up [Refer Note 3(d) in schedule "P"]	—
Debentures :	
Tangerine Beach Hotel Limited Zero coupon redeemable debentures of SLR 100/- each fully paid-up	2,63,927
	<u>15,43,551</u>
Aggregate cost of quoted investments	12,79,624
Aggregate cost of unquoted investments	2,63,927
Market value of quoted investments	39,36,620
SCHEDULE "G": SUNDRY DEBTORS :	
Unsecured, considered good	
Outstanding exceeding six months	1,45,01,965
Others	34,01,52,205
	<u>35,46,54,170</u>
Unsecured, considered doubtful	
Outstanding exceeding six months	1,76,96,103
Others	—
	<u>1,76,96,103</u>
	<u>37,23,50,273</u>
Less : Provision for doubtful debts	<u>1,76,96,103</u>
	<u>35,46,54,170</u>



Thomas Cook
(India) Limited

SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST OCTOBER, 2001

	Rs.	As at 31st October, 2001 Rs.
SCHEDULE "H" : CASH AND BANK BALANCES :		
Cash and cheques on hand (including foreign currencies-notes and paid documents)		18,98,68,876
Remittances in transit :		
Foreign currencies-notes and paid documents	18,24,80,110	
Less : provision for lost remittances	<u>29,55,586</u>	
		17,95,24,524
Balances with scheduled banks :		
On current account	8,54,34,543	
On fixed deposit	<u>68,60,383</u>	
		9,22,94,926
Balances with non-scheduled banks :		
On current account with ABN Amro, London (maximum balance during the period Rs.6,24,41,164/-)		86,20,095
On current account with Bank of New York, USA (maximum balance during the period Rs.21,04,39,754/-)		1,72,30,766
On current account with Bankers Trust New York, USA (maximum balance during the period Rs.1,67,36,558/-)		1,67,36,558
On current account with HSBC, Sri Lanka (maximum balance during the period Rs. 80,42,063/-)		40,43,008
On current account with Standard Chartered Grindlays Bank, Sri Lanka (maximum balance during the period Rs.54,83,343/-)		13,45,332
On current account with NDB Bank, Sri Lanka (maximum balance during the period Rs.1,02,824/-)		54,986
On current account with HSBC, Mauritius (maximum balance during the period Rs. 1,34,86,075/-)		65,64,039
On current account with Barclays Bank, Mauritius (maximum balance during the period Rs. 1,77,08,849/-)		82,64,962
On fixed deposit account with HSBC, Sri Lanka (maximum balance during the period Rs. 38,73,324/-)		21,77,231
On fixed deposit account with Standard Chartered Grindlays Bank, Sri Lanka (maximum balance during the period Rs.58,06,463/-)		54,27,611
On fixed deposit account with NDB Bank, Sri Lanka (maximum balance during the period Rs.89,73,935/-)		79,33,260
On fixed deposit account with HSBC, Mauritius (maximum balance during the period Rs. 72,197/-)		72,197
		<u>54,01,58,371</u>



Thomas Cook
(India) Limited

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST OCTOBER, 2001

As at 31st
October, 2001
Rs.

SCHEDULE "I" : LOANS AND ADVANCES :

(Unsecured, considered good)

Advances recoverable in cash or in kind or for value
to be received

25,73,20,846

Balances with customs, port trusts etc.

2,75,280

Commercial paper

42,12,705

Tax payments less provisions

84,36,822

27,02,45,653

SCHEDULE "J" : CURRENT LIABILITIES :

Sundry creditors

29,02,37,152

Purchase consideration for acquisition of Sri Lanka
branch operations

48,02,000

Advance payment from customers for which value
is still to be given (including travellers cheques,
drafts and transfers unpaid)

3,64,14,599

Balance in share application money and fractional
entitlement on bonus shares refund accounts

1,37,122

Unclaimed dividends

18,38,833

33,34,29,706

SCHEDULE "K" : PROVISIONS :

Provision for gratuity

1,46,68,229

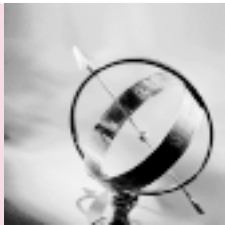
Proposed dividend

4,08,33,332

Corporate dividend tax

41,65,000

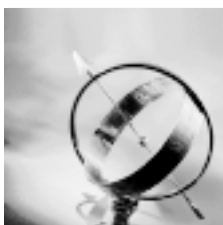
5,96,66,561



Thomas Cook
(India) Limited

**SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31ST OCTOBER, 2001**

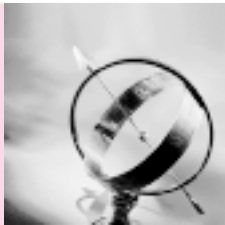
	Period ended 31st October, 2001 Rs.
SCHEDULE "L" : OTHER INCOME :	
Interest on :	
Bank accounts	55,66,576
(tax deducted at source Rs. 5,20,431/-)	
Refund of tax	34,90,511
Others	3,80,197
Rent	98,865
Profit on sale of fixed assets	2,23,844
Exchange differences (net) other than in normal course of business as foreign exchange authorised dealers	33,71,803
Management fees	20,98,260
Miscellaneous income	1,01,77,971
	<u>2,54,08,027</u>
SCHEDULE "M" : PERSONNEL EXPENSES :	
Salaries, wages and bonus	13,40,55,170
Contribution to provident and other funds	1,37,35,765
Premium on/provision for gratuity-cum-life assurance policy	69,98,436
Staff welfare	2,49,95,422
Staff training, recruitment & other cost	51,92,743
Incentive/commission to staff and directors	59,67,761
	<u>19,09,45,297</u>
SCHEDULE "N" : INTEREST EXPENSE :	
On bank overdraft	52,78,173
On term loan	19,19,064
On commercial paper	39,17,176
	<u>1,11,14,413</u>



Thomas Cook
(India) Limited

SCHEDULE FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST OCTOBER, 2001

	Rs.	Period ended 31st October, 2001 Rs.
SCHEDULE "O" : OTHER EXPENSES :		
Rent		2,41,75,581
Rates and taxes		23,41,890
Insurance		54,65,138
Repairs to building		1,87,848
Other repairs and maintenance		1,84,96,731
Electricity		1,44,39,090
Printing and stationery		1,59,02,374
Postage, telegrams, telex and telephones		4,08,57,326
Freight currency shipment		75,14,856
Legal and professional fees		1,62,84,496
Statutory Auditors' remuneration :		
Audit fees	10,77,592	
Reports under various sections of Income-tax Act, 1961	7,21,875	
Miscellaneous reports	6,94,064	
Reimbursement of out-of-pocket expenses	57,354	
Branch Auditors' remuneration :		
Branch audit fees	1,03,278	
		26,54,163
Bank charges including handling charges on remittances		1,59,43,108
Travelling and subsistence		3,20,35,080
Brokerage and incentives		2,88,23,804
Directors' fees		3,16,000
Security services		59,83,323
Motor car running expenses		80,62,128
Miscellaneous expenses		2,20,76,578
Provision for bad and doubtful debts (net)		28,20,085
Bad and doubtful debt written off		20,61,687
Provision for remittances lost in transit		1,42,083
Loss on fixed assets sold/scrapped		3,81,870
		<u>26,69,65,239</u>



Thomas Cook
(India) Limited

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE "P"

1. BASIS OF CONSOLIDATION

The consolidated financial statements of Thomas Cook (India) Limited and its majority owned domestic and foreign subsidiaries are prepared in accordance with generally accepted accounting principles applicable in India. All inter-company balances and transactions have been eliminated.

2. SIGNIFICANT ACCOUNTING POLICIES

a) The accounts are prepared on accrual basis under the historical cost convention and to comply in all material aspects with the statutes applicable.

b) Fixed assets and depreciation :

i) The gross block of fixed assets is stated in the accounts at the purchase price of acquisition of such fixed assets (adjusted for increase in exchange fluctuations) including any attributable cost of bringing the asset to its working condition for its intended use.

ii) Depreciation on fixed assets is provided at the rates prescribed in Schedule XIV to the Companies Act, 1956, or at the rates determined based on the useful life of the asset whichever is higher. Depreciation is provided based on the Straight Line Method. The rates adopted for depreciation on fixed assets are as follows :

Type of asset	Rate of depreciation
Leasehold properties	Period of lease
Freehold premises	1.63%
Strong room	6.33%
Furniture and fixtures	6.33% to 15%*
Computers	25%*
Office equipment :	
VSAT & Communication router	10%*
Other office equipment	4.75% to 33%*
Vehicles	15%* to 20 %*

* based on the useful life of the asset

Assets costing less than Rs.5,000/- are depreciated fully in the year of purchase.

Depreciation on additions to fixed assets due to exchange fluctuations is provided over the remaining life of the assets.

iii) Leasehold properties are amortised over the period of the lease.

c) i) Accounting for foreign currency transactions :

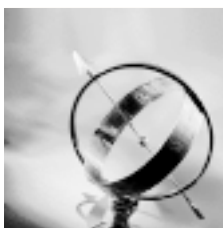
a) In case of foreign exchange business in capacity as authorised dealers, all the monetary items denominated in foreign currency are valued at the Foreign Exchange Dealers Association of India rate (FEDAI) (except for Sri Lanka operations), and the exchange differences (other than those relating to acquisition of fixed assets) arising out of settlement/conversion at the FEDAI rate are recognized in the Profit and Loss Account.

Monetary items of Sri Lanka operations are valued at closing rate obtained from HSBC, as the daily buying and selling rates are set on rates obtained from them.

b) In case of cargo business and Mauritius foreign exchange business, foreign currency transactions are stated at the rate of exchange prevailing at the time of accounting such transactions and exchange differences are dealt with in the profit and loss account. Current assets and liabilities at period end are converted at closing rates and exchange differences are recognized in the profit and loss account.

Exchange differences relating to purchase of fixed assets are adjusted to carrying cost of fixed assets.

Profit and loss on purchase and sale of foreign exchange by the company in its capacity as authorised dealer are accounted as a part of turnover.



Thomas Cook
(India) Limited

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE "P" (contd.)

ii) Accounting of foreign branch and subsidiaries :

Monetary assets and liabilities are translated at the closing exchange rate.

Non monetary assets are translated at the exchange rate prevailing on the date of the transaction.

Revenue items except depreciation are translated at average rate.

Depreciation have been translated at the rates used for the translation of respective fixed assets.

d) Investments :

Investments are stated at cost. A provision for diminution is made if in the opinion of the management, the diminution is other than temporary.

e) Retirement benefits :

Contributions towards gratuity and superannuation schemes are based on the premium contributions called for by the Life Insurance Corporation of India (LIC) in case of Indian operations. Any shortfall/excess based on independent actuarial valuation is accounted for in the relevant period.

In case of Sri Lanka and Mauritius operations retirement benefits are provided for on the basis of the local laws.

f) Turnover :

Turnover comprises of travellers cheques commissions and margins on foreign exchange transactions in the normal course of business as authorised dealers, net commissions earned on travel management, service agency charges including profit or loss in respect of tour and card product activities. In line with established international practice, the income arising from the buying and selling of foreign currencies has been included on the basis of margins achieved, since inclusion on their gross value would not be meaningful and potentially misleading for use as an indicator of the level of the company's business.

All of the above activities are considered to be one inter related business.

In case of cargo business turnover comprises of commissions and margins earned by acting as cargo agents to offer joint services in freight forwarding by air and sea and also as Custom House agent.

g) Revenue recognition :

Commission on tickets and service charges from customers are recognized on issue of the tickets. Incentive from airlines are accounted on the basis of tickets issued to sectors travelled.

Revenue on foreign exchange transactions are recognized at the time of purchase or sale.

Revenue on holiday packages are accounted on commencement of the tour.

In respect of cargo activities income comprises commissions, margins and recoverable expenses in the normal course of business, including as a Custom House/IATA agent and as per terms and conditions agreed with customers/agents.

Revenue from other income are accounted on accrual basis.

h) Start up costs of new businesses :

All costs in relation to new businesses are amortised over a period of two years commencing from the date the new businesses start generating revenues.

i) Goodwill :

Goodwill arising on acquisitions is amortised over a period of five years commencing with the year of purchase.

j) Deferred taxation :

Deferred taxation liabilities are provided in respect of taxable temporary differences, calculated at current statutory Income-tax rate.



Thomas Cook
(India) Limited

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE "P" (contd.)

3. NOTES TO ACCOUNTS

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances, Rs.3,11,61,128/-
- b) Contingent liabilities
- i) Claims against the company not acknowledged as debts Rs. 32,06,250/-
- ii) Disputed income-tax demand Rs. 1,85,33,792/-
- c) Income-tax provision and payment have been made, without considering benefit of deduction under Section 80HHC of the Income-tax Act, 1961, claimed by the company in its Income-tax returns, as such claims have not been accepted by the Income-tax department against which the company is in appeal.
- d) Pursuant to stock purchase agreement dated 18th July, 2000, the company had purchased 5,00,000 ordinary shares of par value USD 0.01 per share at USD 2/- per share aggregating to USD 10,00,000/- in Bidorbuy.com Inc. a company incorporated under the laws of the state of Delaware. As per the terms of the agreement, the company had remitted USD 5,00,000/- on 23rd May, 2000 being consideration for 2,50,000 ordinary shares. Purchase consideration for balance 2,50,000 ordinary shares was in the form of release of advertisements for promotion of Bidorbuy.com Inc. web site in India. As per supplemental agreement dated 27th December, 2000 the value of such advertisement was Rs.2,25,00,000/- equivalent of USD 5,00,000/-. The actual cost incurred on the advertisement is Rs. 56,15,714/-. The difference arising between the actual cost of advertisement incurred at the time of release/transfer thereof and value as mentioned in the above referred supplemental agreement is reduced from the carrying cost of the investment.
- Further in the absence of adequate information on the fair value of the investment of Rs.2,77,15,714/- and on account of significant down-turn in the e-commerce space, as a measure of prudence, the company has decided to provide for the full amount by taking a charge of the above amount to the profit and loss account.
- e) The deferred tax liability comprises of tax effect of timing differences on account of :

	As at 31-10-2001
i) Fixed assets excess net block over written down value as per the provisions of the Income-tax Act, 1961	5,84,53,721
ii) Provision for doubtful debts	(63,17,509)
iii) Provision for retirement benefits	50,27,831
iv) Start-up cost of new businesses claimed fully in the return of income under the Income-tax Act, 1961 in the year of incurrance but amortised in financial statements	15,17,600
	<u>5,86,81,643</u>



Thomas Cook
(India) Limited

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE "P" (Contd.)

- f) Segmental information has been provided so that the users of these accounts can appreciate the diverse nature of the businesses carried out by Thomas Cook (India) Limited and its subsidiary companies. Included within each category of business are :

- | | |
|---------------------------|---|
| Financial services | - Includes wholesale purchase and sale of foreign currencies and paid documents. |
| Travel & related services | - Include retail purchase and sale of foreign currencies and paid documents, tour operations and travel management. |

Business segment

Particulars	Amount in Rupees			
	Financial services	Travel & related services	Others	Consolidated total
1. Segment revenue	14,59,33,700	57,83,04,300	2,98,44,347	75,40,82,347
Less : Inter Segment revenue	—	14,83,000	28,67,000	43,50,000
Net revenue from operations	14,59,33,700	57,68,21,300	2,69,77,347	74,97,32,347
2. Segment results	8,63,28,500	23,69,35,830	27,94,921	32,60,59,251
Less : Interest				1,11,14,000
Other common expenses				12,51,29,000
Diminution in the value of investment				2,77,15,714
Total profit/(loss) before tax				16,21,00,537
3. Capital employed (Segment assets less Segment liabilities)				
Segment assets	39,97,37,860	87,22,99,140	3,17,67,000	1,30,38,04,000
Add : Common assets				32,00,16,232
Total assets				1,62,38,20,232
Segment liability	7,99,84,270	24,86,57,730	1,94,31,000	34,80,73,000
Add : Common liability				35,83,71,006
Total liability				70,64,44,006
Segment capital employed	31,97,53,590	62,36,41,410	1,23,36,000	95,57,31,000
Add : common capital employed				(3,83,54,774)
Total capital employed				91,73,76,226
4. Capital expenditure	59,91,000	3,61,28,000	17,76,000	4,38,95,000
Add : Common capital expenditure				74,16,934
				5,13,11,934
5. Depreciation and amortisation	93,82,000	1,82,72,000	37,89,000	3,14,43,000
Add : Common depreciation and amortisation				1,59,99,193
				4,74,42,193
6. Significant non cash expenditure	11,10,000	35,17,000	1,04,14,000	1,50,41,000
Add : Common non cash expenditure				2,82,61,892
				4,33,02,892



Thomas Cook
(India) Limited

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE "P" (Contd.)

Geographic segment

Particulars	India	Rest of the world	Amount in Rupees Consolidated total
7. Segment revenue	72,11,53,326	2,85,79,021	74,97,32,347
8. Segment assets	1,22,07,82,000	8,30,22,000	1,30,38,04,000
Add : Common assets			32,00,16,232
			1,62,38,20,232
9. Capital expenditure	4,17,47,000	21,48,000	4,38,95,000
Add : Common capital expenditure			74,16,934
			5,13,11,934
			Period ended 31st October, 2001 Rs.
g) Expenditure in foreign currency :			
Interest and bank charges			88,09,464
Professional fees			92,717
Travelling, subscription and others			1,21,76,432
h) Remittances in foreign currencies :			
(other than in normal course of the business as foreign exchange authorised dealers)			
On account of dividend :			
Net amount remitted to a non-resident shareholder - Thomas Cook Overseas Limited			
No. of shares held	Dividend for the year ended		
58,33,333	31st December, 2000		1,92,50,000
i) Earnings in foreign exchange :			
(excluding reimbursement of expenses and receipts in foreign currency of foreign exchange transactions in the normal course of business as authorised dealers)			
Interest			22,28,074
Communication charges			3,50,914
Receipts from independent tours and travel			9,76,48,945
Commission on travellers cheques			63,61,460
Commission on export shipment			10,80,369
Management fees			20,98,260

Signatures to schedules "A" to "P"

For and on behalf of the Board of Directors

P. P. MADHAVJI - CHAIRMAN

A. M. KAKKAR - CHIEF EXECUTIVE OFFICER &
MANAGING DIRECTOR

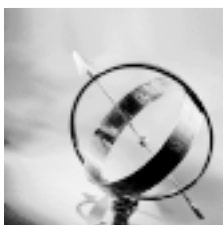
P.SREEKUMAR - EXECUTIVE DIRECTOR - FINANCE

M. MENON - EXECUTIVE DIRECTOR-FOREIGN EXCHANGE

R. R. KENKARE - HEAD OF LEGAL & COMPANY SECRETARY

Mumbai

Dated : 6th December, 2001



Thomas Cook
(India) Limited

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST OCTOBER, 2001

	Rs.	Rs.
A CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		18,98,16,251
Adjustments for :		
Depreciation	4,74,42,193	
Interest on tax refunds	(34,90,511)	
Interest income	(59,46,773)	
Exchange fluctuation	30,71,249	
Profit on sale of fixed assets	(2,23,844)	
Loss on sale of fixed assets	3,81,870	
Provision for gratuity	62,119	
Interest expense	1,11,14,413	
Start up cost of new businesses (net of payments)	79,29,804	6,03,40,520
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		25,01,56,771
Adjustments for :		
Trade and other receivables	21,10,55,575	
Trade payable/provisions	(22,28,99,713)	(1,18,44,138)
CASH GENERATED FROM OPERATIONS		23,83,12,633
Interest paid	(98,69,756)	
Interest received on tax refund	57,24,835	
Interest received	63,07,790	
Direct taxes paid-net of refund	(4,12,17,308)	
		(3,90,54,439)
NET CASH FROM/(USED) IN OPERATING ACTIVITIES		19,92,58,194
B CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets/goodwill		(4,91,53,313)
Sale of fixed assets		9,03,735
Decrease in Investments		1,68,84,106
NET CASH USED IN INVESTING ACTIVITIES		(3,13,65,472)
C CASH FLOW FROM FINANCING ACTIVITIES :		
(Decrease)/Increase in borrowings		(28,90,16,553)
Dividend paid		(4,81,25,000)
NET CASH USED IN FINANCING ACTIVITIES		(33,71,41,553)
NET (DECREASE)/INCREASE IN CASH OR CASH EQUIVALENT (A+B+C)		(16,92,48,831)
CASH AND CASH EQUIVALENT AS AT THE COMMENCEMENT OF THE PERIOD		70,94,07,202
CASH AND CASH EQUIVALENT AS AT THE END OF THE PERIOD		54,01,58,371
NET (DECREASE)/INCREASE AS DISCLOSED ABOVE		(16,92,48,831)

Note : The above cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 on cash flow statements issued by the Institute of Chartered Accountants of India.

For and on behalf of the Board of Directors

Mumbai
Dated : 6th December, 2001

A. M. KAKKAR
CHIEF EXECUTIVE OFFICER
& MANAGING DIRECTOR

AUDITORS' CERTIFICATE

We have examined the above consolidated cash flow statement of Thomas Cook (India) Limited for the ten months period ended 31st October, 2001. The statement has been prepared by the Company in accordance with the requirements of the Accounting Standard 21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India and is based on and derived from the consolidated accounts of Thomas Cook (India) Limited for the year ended 31st December, 2000 and ten months period ended 31st October, 2001.

Mumbai
Dated : 6th December, 2001

For Lovelock & Lewes
Chartered Accountants
SANJAY HEGDE
Partner



Thomas Cook
(India) Limited

AUDITORS' REPORT

To the Members of Thomas Cook
(India) Limited

1. We have audited the attached balance sheet of Thomas Cook (India) Limited as at 31st October, 2001 and the annexed profit and loss account for the period of ten months ended on that date, which are in agreement with the books of account.
2. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988, issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, of India, and on the basis of such checks of books and records as we considered appropriate and the information and explanations given to us during the course of our audit, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to in paragraph 2 above :
 - (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) in our opinion, proper books of account as

required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from Sri Lanka branch not visited by us;

- (iii) the report on the accounts of Sri Lanka branch audited by the branch auditors has been forwarded to us and has been dealt with by us in preparing this report;
- (iv) in our opinion, the profit and loss account and balance sheet comply with the accounting standards specified by the Institute of Chartered Accountants of India, referred to in Section 211(3C) of the Companies Act, 1956;
- (v) on the basis of the confirmation received from the directors other than Mr. Sundararaman, (State Bank of India's nominee) and taken on record by the board of directors, none of the directors of the Company is disqualified from being appointed as directors, as referred to in Section 274(1)(g) of the Companies Act, 1956. Mr. Sundararaman has advised that the provisions

of Section 274(1)(g) of the Companies Act, 1956 relating to disqualification of directors are not attracted in his case, in view of the provisions contained in Section 35A of SBI Act, 1955.

- (vi) in our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view;

- (a) in the case of the balance sheet, of the state of affairs of the Company as at 31st October, 2001;

and

- (b) in the case of the profit and loss account, of the profit of the Company for the period of ten months ended on that date.

For Lovelock & Lewes
Chartered Accountants

SANJAY HEGDE
Partner

Mumbai
Dated : 6th December, 2001



ANNEXURE TO THE AUDITORS' REPORT

Annexure referred to in paragraph 2 of the Auditors' Report to the Members of Thomas Cook (India) Limited on the Accounts for the period of ten months ended 31st October, 2001

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. In accordance with the Company's annual programme of physical verification of fixed assets, which in our opinion is reasonable, the physical verification is in progress at period end and would be completed before 31st December, 2001.
2. None of the fixed assets have been revalued during the period.
3. The Company has not taken any loans, secured or unsecured, from companies, firms or parties listed in the register maintained under Section 301 of the Companies Act, 1956, or from Companies under the same management as defined under sub-section (1-B) of Section 370 of the Companies Act, 1956.
4. The Company has not granted any loans to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 or to Companies under the same management as defined under sub-section (1-B) of Section 370 of the Companies Act, 1956.
5. In respect of loans or advances in the nature of loans given by the Company, the principal amounts and interest where applicable have been recovered as stipulated. The Company gave interest free loans and advances to subsidiary companies where no stipulations had been made for the recovery of the principal amounts. This amount stands substantially recovered.
6. There are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of equipment and other assets.
7. There are no sales of services made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000/- or more in respect of each party.
8. The Company has not accepted any deposits from the public to which the provisions of Section 58A of the Companies Act, 1956 or the rules framed thereunder would apply.
9. The Company has an internal audit system commensurate with the size and the nature of its business.
10. The Company has been regular in depositing the Provident Fund and Employees' State Insurance dues with the appropriate authorities.
11. No undisputed amounts payable in respect of income-tax, wealth tax, sales tax and customs duty were outstanding as at 31st October, 2001 for a period of more than six months from the date they became payable.
12. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices, we have not come across any personal expenses which have been charged to revenue account, nor we have been informed of such cases by the management, other than those payable under contractual obligations or in accordance with generally accepted business practice.
13. The service activities of the Company are such that the question of recording receipts, issues and consumption of materials and stores and allocation of materials and



Thomas Cook
(India) Limited

man-hours consumed to the relative job does not arise. Consequently, the authorisation and control on the issue of stores and allocation of stores and labour to jobs are not applicable.

14. The Company is not a Sick Industrial Company within the meaning of Clause (o) of sub-

section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

15. As per the information and explanations given to us and taking into consideration the nature of the business of the Company, clauses (iii), (iv), (v), (vi), (xii), (xiv) and (xvi) of paragraph 4(A), clauses (i) and (ii)

of paragraph 4(C), clauses (i), (ii), (iii) and (iv) of paragraph 4(D) are not applicable to the Company for the current period.

For Lovelock & Lewes
Chartered Accountants

SANJAY HEGDE
Partner

Mumbai

Dated : 6th December, 2001



Thomas Cook
(India) Limited

BALANCE SHEET AS AT 31ST OCTOBER, 2001

	Schedule	As at 31st October, 2001 Rs.	As at 31st December, 2000 Rs.
I. SOURCES OF FUNDS :			
SHAREHOLDERS' FUNDS :			
Share capital	A	14,58,33,330	14,58,33,330
Reserves and surplus	B	76,88,41,145	77,22,63,078
		<u>91,46,74,475</u>	<u>91,80,96,408</u>
LOAN FUNDS :			
Secured loans	C	20,58,78,538	21,52,80,095
Unsecured loans	D	4,57,28,966	32,84,02,554
		<u>25,16,07,504</u>	<u>54,36,82,649</u>
TOTAL :		<u><u>1,16,62,81,979</u></u>	<u><u>1,46,17,79,057</u></u>
II. APPLICATION OF FUNDS :			
FIXED ASSETS :			
Gross block	E	68,35,91,890	63,80,07,202
Less : Depreciation/Amortisation		<u>23,83,87,943</u>	<u>19,44,76,700</u>
Net block		44,52,03,947	44,35,30,502
Advances for capital expenditure		<u>43,78,656</u>	<u>65,37,277</u>
		<u>44,95,82,603</u>	<u>45,00,67,779</u>
INVESTMENTS	F	<u>2,97,73,721</u>	<u>7,43,73,541</u>
CURRENT ASSETS, LOANS AND ADVANCES :			
Sundry debtors	G	33,78,49,704	35,27,76,952
Cash and bank balance	H	51,42,05,481	65,92,41,657
Loans and advances	I	26,39,79,565	43,27,68,675
		<u>1,11,60,34,750</u>	<u>1,44,47,87,284</u>
LESS : CURRENT LIABILITIES AND PROVISIONS :			
Current liabilities	J	31,57,50,189	44,59,84,082
Provisions	K	<u>5,91,25,374</u>	<u>7,36,46,250</u>
		<u>37,48,75,563</u>	<u>51,96,30,332</u>
NET CURRENT ASSETS		<u>74,11,59,187</u>	<u>92,51,56,952</u>
DEFERRED TAX LIABILITY		(5,84,84,513)	—
MISCELLANEOUS EXPENDITURE :			
(to the extent not written off or adjusted)			
Startup costs of new businesses		<u>42,50,981</u>	<u>1,21,80,785</u>
TOTAL :		<u><u>1,16,62,81,979</u></u>	<u><u>1,46,17,79,057</u></u>

Notes to the accounts

P

Schedules "A" to "K" and "P" referred to above form an integral part of the Balance Sheet

This is the Balance Sheet referred to in our report of even date

For Lovelock & Lewes
Chartered Accountants

SANJAY HEGDE
Partner

Mumbai
Dated : 6th December, 2001

For and on behalf of the Board of Directors

P. P. MADHAVJI - CHAIRMAN
A. M. KAKKAR - CHIEF EXECUTIVE OFFICER &
MANAGING DIRECTOR
P. SREEKUMAR - EXECUTIVE DIRECTOR -FINANCE
M. MENON - EXECUTIVE DIRECTOR -FOREIGN EXCHANGE
R. R. KENKARE - HEAD OF LEGAL & COMPANY SECRETARY

Mumbai
Dated : 6th December, 2001



Thomas Cook
(India) Limited

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST OCTOBER, 2001

	Schedule	Period ended 31st October, 2001 Rs.	Year ended 31st December, 2000 Rs.
INCOME :			
Turnover		71,25,96,481	79,59,70,148
Other income	L	3,13,50,567	6,06,41,685
TOTAL :		74,39,47,048	85,66,11,833
EXPENDITURE :			
Personnel expenses	M	17,89,88,545	21,78,57,747
Advertisement and business promotional expenses		5,80,93,325	6,65,83,533
Interest expense	N	1,11,14,413	3,56,86,914
Other expenses	O	24,88,99,788	26,11,20,079
Amortisation of startup cost		1,07,05,406	1,31,26,653
Depreciation	E	4,61,25,089	5,93,10,071
TOTAL :		55,39,26,566	65,36,84,997
Net profit before exceptional item and taxation		19,00,20,482	20,29,26,836
Diminution in the value of investment [Refer Note 2 (d) in schedule 'P']		2,77,15,714	—
Provision for taxation		6,82,11,356	7,86,20,852
Add : Excess provision for taxation for earlier years written back		—	1,21,99,235
Less : Deferred tax effect of timing differences originating during the period.		28,92,650	—
Profit after taxation		9,12,00,762	13,65,05,219
Transferred from reserve as required under Section 80HHD of the Income-tax Act, 1961		1,75,00,000	1,50,00,000
Transferred to reserve as required under Section 80HHD of the Income-tax Act, 1961		1,75,00,000	1,30,00,000
		9,12,00,762	13,85,05,219
Balance brought forward from last year		4,32,10,429	6,37,06,460
Amount available for appropriations		13,44,11,191	20,22,11,679
Less : Appropriations			
Proposed dividend		4,08,33,332	4,81,25,000
Corporate dividend tax (net of provision Rs.59,67,500/- written back)		(18,02,500)	1,08,76,250
Transferred to general reserve		91,20,076	10,00,00,000
Balance carried to balance sheet		8,62,60,283	4,32,10,429
Notes to the accounts			
Schedules "E", "L" to "O" and "P" referred to above form an integral part of the Profit and Loss Account			
This is the Profit and Loss Account referred to in our report of even date			
For Lovelock & Lewes Chartered Accountants	For and on behalf of the Board of Directors		
	P. P. MADHAVJI - CHAIRMAN		
	A. M. KAKKAR - CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR		
SANJAY HEGDE Partner	P. SREEKUMAR - EXECUTIVE DIRECTOR -FINANCE		
	M. MENON - EXECUTIVE DIRECTOR -FOREIGN EXCHANGE		
	R. R. KENKARE - HEAD OF LEGAL & COMPANY SECRETARY		
Mumbai Dated : 6th December, 2001	Mumbai Dated : 6th December, 2001		



Thomas Cook
(India) Limited

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST OCTOBER, 2001

	Rs.	As at 31st October, 2001 Rs.	As at 31st December, 2000 Rs.
SCHEDULE "A" : SHARE CAPITAL :			
Authorised :			
2,00,00,000 Equity shares of Rs.10/- each		20,00,00,000	20,00,00,000
Issued and subscribed :			
1,45,83,333 Equity shares of Rs.10/- each fully paid-up		14,58,33,330	14,58,33,330
1) of the above, 2,79,993 Equity shares of Rs.10/- each, fully paid-up, have been allotted to Thomas Cook Overseas Limited, U.K. for consideration other than cash			
2) includes 1,38,83,333 Equity shares issued as fully paid-up bonus shares by capitalisation of general reserve and capital reserve			
SCHEDULE "B" : RESERVES AND SURPLUS :			
Reserve as required under Section 80HHD of the Income-tax Act, 1961 :			
Balance as per last balance sheet	10,85,00,000		11,05,00,000
Add : Transferred from profit and loss account	1,75,00,000		1,30,00,000
	12,60,00,000		12,35,00,000
Less : Transferred to profit and loss account	1,75,00,000		1,50,00,000
		10,85,00,000	10,85,00,000
General reserve :			
Balance as per last balance sheet	62,05,52,649		57,88,85,979
Less : Capitalised for issue of bonus shares	—		5,83,33,330
Less : Deferred tax liability as at start of the year	5,55,91,863		—
	56,49,60,786		52,05,52,649
Add : Transferred from profit and loss account	91,20,076		10,00,00,000
		57,40,80,862	62,05,52,649
Balance in profit and loss account		8,62,60,283	4,32,10,429
		76,88,41,145	77,22,63,078
SCHEDULE "C" : SECURED LOANS :			
Overdraft from banks		20,58,78,538	21,52,80,095
(Secured by hypothecation of book debts, stock of currencies and paid documents)			
		20,58,78,538	21,52,80,095
SCHEDULE "D" : UNSECURED LOANS :			
Overdraft from banks		—	20,48,97,523
Commercial paper			
(payable within one year Rs. Nil, previous year Rs.10,00,00,000/-)		—	10,00,00,000
From Deutsche Bank AG, Frankfurt, Germany		91,33,770	—
(temporary overdraft in normal course of business)			
From Westpack, Sydney		16,14,147	—
(temporary overdraft in normal course of business)			
From Credit Suisse, Zurich		26,30,148	4,35,570
(temporary overdraft in normal course of business)			
From HSBC, London		3,15,69,793	—
(temporary overdraft in normal course of business)			
From Bank of New York, USA		—	2,30,69,461
(temporary overdraft in normal course of business)			
From Hatton National Bank, Sri Lanka		87,798	—
(temporary overdraft in normal course of business)			
From Pan Asia Bank, Srilanka		6,93,310	—
(temporary overdraft in normal course of business)			
		4,57,28,966	32,84,02,554



Thomas Cook
(India) Limited

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST OCTOBER, 2001

SCHEDULE "E" : FIXED ASSETS

Details	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	<i>Cost as at 31st December, 2000 Rs.</i>	<i>Additions during the period Rs.</i>	<i>Disposal/ Adjust- ments Rs.</i>	<i>Cost as at 31st October, 2001 Rs.</i>	<i>Upto 31st December, 2000 Rs.</i>	<i>For the period Rs.</i>	<i>On Deduc- tions Rs.</i>	<i>Upto 31st October, 2001 Rs.</i>	<i>As at 31st October, 2001 Rs.</i>	<i>As at 31st December, 2000 Rs.</i>
Goodwill	88,31,169	—	—	88,31,169	17,66,234	14,71,862	—	32,38,096	55,93,073	70,64,935
Leasehold properties	2,30,14,187	—	—	2,30,14,187	2,24,75,881	23,346	—	2,24,99,227	5,14,960	5,38,306
Freehold premises #	24,18,44,218	58,37,364	—	24,76,81,582	1,93,86,312	32,94,664	—	2,26,80,976	22,50,00,606	22,24,57,906
Strong room	6,74,425	—	—	6,74,425	4,29,481	35,556	—	4,65,037	2,09,388	2,44,944
Furniture and fixtures	9,76,91,768	75,22,451	70,326	10,51,43,893	3,00,94,791	56,03,558	38,302	3,56,60,047	6,94,83,846	6,75,96,977
Computers	15,16,54,961	1,22,33,512	58,000	16,38,30,473	9,16,98,738	2,64,98,465	58,000	11,81,39,203	4,56,91,270	5,99,56,223
Office equipment	7,97,26,545	1,12,55,433	5,80,265	9,04,01,713	1,57,85,723	45,66,875	2,11,846	2,01,40,752	7,02,60,961	6,39,40,822
Vehicles	3,45,69,929	1,20,11,532	25,67,013	4,40,14,448	1,28,39,540	46,30,763	19,05,698	1,55,64,605	2,84,49,843	2,17,30,389
GRAND TOTAL	63,80,07,202	4,88,60,292	32,75,604	68,35,91,890	19,44,76,700	4,61,25,089	22,13,846	23,83,87,943	44,52,03,947	4,43,530,502
Previous Year	58,49,01,711	6,41,28,664	1,10,23,173	63,80,07,202	14,10,42,173	5,93,10,071	58,75,544	19,44,76,700	44,35,30,502	

- NOTE : # Cost of Freehold premises includes:
- 110 unquoted fully paid shares in various co-operative societies amounting to Rs. 5,750/-.
 - Rs. 2,540/- towards share application money to various co-operative societies.
 - Rs. 96,29,164/- (previous year Rs. 94,71,416) for premises on freehold land where the Company is yet to be registered as the owner of a proportionate share in land.
 - Rs. 15,01,86,286/- (previous year Rs. 14,45,06,670) for premises where the co-operative society is yet to be formed.
 - Additions during the period includes exchange difference on account of realignment of foreign currency liability Rs. Nil (previous year Rs. 6,40,000/-)



Thomas Cook
(India) Limited

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST OCTOBER, 2001

	As at 31st October, 2001 Rs.	As at 31st December, 2000 Rs.
SCHEDULE "F" : INVESTMENTS (Long-term) :		
Equity shares :		
Investments in subsidiary companies at cost (Non-trade, unquoted) :		
India Alive Tours Limited		
9 (previous year 3) Equity shares of Rs.10/- each fully paid-up	90	30
Indian Horizon Travel and Tours Limited		
9 (previous year 3) Equity shares of Rs.10/- each fully paid-up	90	30
Thomas Cook Tours Limited		
9 (previous year 3) Equity shares of Rs.10/- each fully paid-up	90	30
Hindustan Cargo Limited		
2,50,000 Equity shares of Rs.10/- each fully paid-up	25,00,000	25,00,000
Investments in subsidiary company at cost (Trade, unquoted) :		
TC (Mauritius) Holding Company Limited.		
5,90,000 Equity shares of USD 1/- each fully paid-up	2,57,29,900	2,57,29,900
	<u>2,82,30,170</u>	<u>2,82,29,990</u>
Investment in other companies at cost (Trade, quoted) :		
Tangerine Beach Hotel Limited.		
1,96,831 Ordinary shares of SLR 10/- each fully paid-up	12,79,624	12,79,624
Investment in other companies at cost (Trade, unquoted) :		
Bidorbuy.com		
5,00,000 Ordinary shares of USD 0.01 each fully paid-up [Refer Note 2(d) in schedule "P"]	—	4,46,00,000
Debentures :		
Tangerine Beach Hotel Limited.		
Zero coupon redeemable debentures of SLR 100/- each fully paid-up	2,63,927	2,63,927
	<u>2,97,73,721</u>	<u>7,43,73,541</u>
Aggregate cost of quoted investments	12,79,624	12,79,624
Aggregate cost of unquoted investments	2,84,94,097	7,30,93,917
Market Value of quoted investments	39,36,620	43,30,282
SCHEDULE "G": SUNDRY DEBTORS :		
Unsecured, considered good		
Outstanding exceeding six months	1,41,99,783	1,24,02,547
Others	32,36,49,921	34,03,74,405
	<u>33,78,49,704</u>	<u>35,27,76,952</u>
Unsecured, considered doubtful		
Outstanding exceeding six months	1,69,05,950	1,41,93,964
Others	—	1,35,448
	<u>1,69,05,950</u>	<u>1,43,29,412</u>
	<u>35,47,55,654</u>	<u>36,71,06,364</u>
Less : Provision for doubtful debts	1,69,05,950	1,43,29,412
	<u>33,78,49,704</u>	<u>35,27,76,952</u>



Thomas Cook
(India) Limited

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST OCTOBER, 2001

	Rs.	As at 31st October, 2001 Rs.	As at 31st December, 2000 Rs.
SCHEDULE "H" : CASH AND BANK BALANCES:			
Cash and cheques on hand (including foreign currencies-notes and paid documents)		18,15,74,875	15,87,95,147
Remittances in transit :			
Foreign currencies - Notes and paid documents	18,24,80,110		37,69,58,074
Less : provision for lost remittances	29,55,586		28,13,503
		17,95,24,524	37,41,44,571
Balances with scheduled banks :			
On current account	8,29,96,696		4,28,74,079
On fixed deposit	65,40,539		56,42,313
		8,95,37,235	4,85,16,392
Balances with non-scheduled banks :			
On current account with ABN Amro Bank, London (maximum balance during the period Rs.6,24,41,164/- previous year Rs. 13,83,62,368/-)		86,20,095	4,24,85,916
On current account with Bank of New York, USA (maximum balance during the period Rs.21,04,39,754/- previous year Rs. 28,85,52,224/-)		1,72,30,766	—
On current account with Bankers Trust New York, USA (maximum balance during the period Rs.1,67,36,558/- previous year Rs. Nil)		1,67,36,558	—
On current account with Deutsche Bank AG, Frankfurt, Germany (maximum balance during the period Rs. 16,95,478/- previous year Rs. 1,11,86,997/-)		—	19,57,176
On current account with HSBC, London (maximum balance during the period Rs.38,00,13,522/- previous year Rs.2,40,60,996/-)		—	96,57,576
On current account with HSBC, Sri Lanka (maximum balance during the period Rs.80,42,063/- previous year Rs. 68,79,766/-)		40,43,008	28,54,105
On current account with Standard Chartered Grindlays Bank, Sri Lanka (maximum balance during the period Rs.54,83,343/- previous year Rs. Nil)		13,45,332	—
On current account with Pan Asia Bank, Sri Lanka (maximum balance during the period Rs.23,59,046/- previous year Rs. 38,23,065/-)		—	18,876
On current account with NDB Bank, Sri Lanka (maximum balance during the period Rs.1,02,824/- previous year Rs. Nil)		54,986	—
On fixed deposit account with HSBC, Sri Lanka (maximum balance during the period Rs.38,73,324/- previous year Rs. 81,26,992/-)		21,77,231	81,26,992
On fixed deposit account with Pan Asia Bank, Sri Lanka (maximum balance during the period Rs.51,55,188/- previous year Rs. 38,17,000/-)		—	13,23,064
On fixed deposit account with Standard Chartered Grindlays Bank, Sri Lanka (maximum balance during the period Rs.58,06,463/- previous year Rs. 47,73,802/-)		54,27,611	37,49,692
On fixed deposit account with NDB Bank, Sri Lanka (maximum balance during the period Rs.89,73,935/- previous year Rs. 82,13,982/-)		79,33,260	76,12,150
		51,42,05,481	65,92,41,657



Thomas Cook
(India) Limited

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST OCTOBER, 2001

	As at 31st October, 2001 Rs.	As at 31st December, 2000 Rs.
SCHEDULE "I" : LOANS AND ADVANCES :		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received.	25,36,30,985	38,86,72,913
Advances to subsidiary companies	1,20,860	—
Commercial paper	42,12,705	24,35,076
Tax payments less provisions	60,15,015	4,16,60,686
	<u>26,39,79,565</u>	<u>43,27,68,675</u>
 SCHEDULE "J" : CURRENT LIABILITIES :		
Sundry creditors	27,39,93,635	35,82,71,662
[Refer Note 2(d) in schedule "P"]		
Purchase consideration for acquisition of Sri Lanka branch operations	48,02,000	3,22,42,000
Advance payment from customers for which value is still to be given (including travellers cheques, drafts and transfers unpaid)	3,49,78,599	5,39,20,961
Balance in share application money and fractional entitlement on bonus shares refund accounts	1,37,122	1,39,408
Unclaimed dividends	18,38,833	14,10,051
	<u>31,57,50,189</u>	<u>44,59,84,082</u>
 SCHEDULE "K" : PROVISIONS :		
Provision for Gratuity	1,41,27,042	1,46,45,000
[Refer Note 2(e) in schedule "P"]		
Proposed dividend	4,08,33,332	4,81,25,000
Corporate dividend tax	41,65,000	1,08,76,250
	<u>5,91,25,374</u>	<u>7,36,46,250</u>



Thomas Cook
(India) Limited

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST OCTOBER, 2001

	Period ended 31st October, 2001 Rs.	Year ended 31st December, 2000 Rs.
SCHEDULE "L" : OTHER INCOME :		
Interest on :		
Bank accounts	53,85,395	54,63,631
(tax deducted at source Rs.5,20,431/- previous year Rs.9,75,207/-)		
Refund of tax	34,90,511	1,62,56,526
Others	3,80,197	1,36,586
Dividend on long term investments - from subsidiary companies	44,39,250	52,18,774
Rent	1,73,865	1,72,908
Profit on sale of fixed assets	2,19,597	36,00,845
Exchange differences (net) other than in normal course of business as foreign exchange authorised dealers	58,69,488	1,08,81,534
Provision for bad and doubtful debts (net)	—	7,54,607
Management fees	20,98,260	17,02,500
Miscellaneous income	92,94,004	1,64,53,774
	<u>3,13,50,567</u>	<u>6,06,41,685</u>
 SCHEDULE "M" : PERSONNEL EXPENSES :		
Salaries, wages and bonus	12,51,13,553	13,83,96,220
Contribution to provident and other funds	1,29,02,223	1,47,41,700
Premium on / provision for gratuity-cum-life assurance policy	64,25,267	1,84,60,680
Staff welfare	2,33,86,998	2,65,08,156
Staff training, recruitment & other cost	51,92,743	94,72,292
Incentive/Commission to staff and directors	59,67,761	1,02,78,699
	<u>17,89,88,545</u>	<u>21,78,57,747</u>
 SCHEDULE "N" : INTEREST EXPENSE :		
On bank overdraft	52,78,173	1,10,05,099
On term loan	19,19,064	1,74,13,769
On commercial paper	39,17,176	72,68,046
	<u>1,11,14,413</u>	<u>3,56,86,914</u>



Thomas Cook
(India) Limited

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST OCTOBER, 2001

	Period ended 31st October, 2001 Rs.	Year ended 31st December, 2000 Rs.
SCHEDULE "O" : OTHER EXPENSES :		
Rent	2,12,54,753	2,22,86,582
Rates and taxes	23,41,890	12,07,681
Insurance	52,42,680	28,57,203
Repairs to building	1,87,848	1,74,461
Other repairs and maintenance	1,71,98,913	1,81,31,875
Electricity	1,40,50,258	1,51,67,211
Printing and stationery	1,51,23,909	1,68,15,963
Postage, telegrams, telex and telephones	3,84,54,588	3,80,41,072
Freight currency shipment	1,02,14,918	72,76,122
Legal and professional fees	1,54,34,983	1,57,93,269
Statutory Auditors' remuneration :		
Audit fees	4,72,500	4,53,750
Reports under various sections of Income-tax Act, 1961	7,21,875	8,66,250
Miscellaneous Reports	6,94,064	3,11,852
Reimbursement of out-of-pocket expenses	52,587	26,144
56 Branch Auditors' remuneration :		
Branch audit fees	1,03,278	51,300
	20,44,304	17,09,296
Bank charges including handling charges on remittances	1,59,21,342	1,70,05,818
Travelling and subsistence	2,91,38,950	4,21,01,858
Brokerage and incentives	2,87,37,773	3,51,43,244
Directors' fees	2,81,000	1,18,500
Security services	57,27,252	56,10,761
Motor car running expenses	72,16,135	73,53,031
Miscellaneous expenses	1,51,54,092	1,26,44,308
Provision for bad and doubtful debts (net)	25,88,560	—
Bad and doubtful debt written off	20,61,687	2,27,313
Provision for remittances lost in transit	1,42,083	1,87,711
Loss on fixed assets sold/scrapped	3,81,870	12,66,800
	<u>24,88,99,788</u>	<u>26,11,20,079</u>



Thomas Cook
(India) Limited

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST OCTOBER, 2001 AND THE PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED ON THAT DATE**

SCHEDULE "P"

1. SIGNIFICANT ACCOUNTING POLICIES

- a) The accounts are prepared on accrual basis under the historical cost convention and to comply in all material aspects with applicable accounting principles in India, the accounting standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

- b) Fixed assets and depreciation :

- i) The gross block of fixed assets is stated in the accounts at the purchase price of acquisition of such fixed assets (adjusted for increase in exchange fluctuations) including any attributable cost of bringing the asset to its working condition for its intended use.
- ii) Depreciation on fixed assets is provided at the rates prescribed in Schedule XIV to the Companies Act, 1956, or at the rates determined based on the useful life of the asset whichever is higher. Depreciation is provided based on the Straight Line Method. The rates adopted for depreciation on fixed assets are as follows :

Type of Asset	Rate of Depreciation
Leasehold properties	Period of Lease
Freehold premises	1.63%
Strong room	6.33%
Furniture and fixtures	6.33%
Computers	25.00% *
Office equipment :	
VSAT & Communication router	10.00% *
Other office equipment	4.75%
Vehicles	15.00% *

* based on the useful life of the asset.

Assets costing less than Rs.5,000/- are depreciated fully in the year of purchase.

Depreciation on additions to fixed assets due to exchange fluctuations is provided over the remaining life of the assets.

- iii) Leasehold properties are amortised over the period of the lease.

- c) i) Accounting for foreign currency transactions :

The Company is valuing all the monetary items denominated in foreign currency at the Foreign Exchange Dealers Association of India rate (FEDAI) (except for Sri Lanka branch), and the exchange differences (other than those relating to acquisition of fixed assets) arising out of settlement/conversion at the FEDAI rate are recognised in the Profit and Loss Account.

Monetary items of Sri Lanka branch are valued at closing rate obtained from HSBC, as the daily buying and selling rates are set on rates obtained from them.

Exchange differences relating to purchase of fixed assets are adjusted to carrying cost of fixed assets.

Profit and loss on purchase and sale of foreign exchange by the Company in its capacity as authorised dealer are accounted as a part of turnover.



Thomas Cook
(India) Limited

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST OCTOBER, 2001 AND THE PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED ON THAT DATE**

SCHEDULE "P" (contd.)

ii) Accounting of foreign branch :

Monetary assets and liabilities are translated at the closing exchange rate.

Non monetary assets are translated at the exchange rate prevailing on the date of the transaction.

Revenue items except depreciation are translated at average rate.

Depreciation has been translated at the rates used for the translation of respective fixed assets.

d) Investments :

Investments are stated at cost. A provision for diminution is made if in the opinion of the management, the diminution is other than temporary.

e) Retirement Benefits :

Contributions towards gratuity and superannuation schemes are based on the premium contributions called for by the Life Insurance Corporation of India (LIC) with whom the Company has entered into an arrangement for its Indian operations. Any shortfall/excess based on independent actuarial valuation is accounted for in the relevant period.

Retirement benefits of Sri Lanka branch are provided for on the basis of the local laws.

f) Turnover :

Turnover comprises of travellers cheques commissions and margins on foreign exchange transactions in the normal course of business as authorised dealers, net commissions earned on Travel Management, service agency charges including profit or loss in respect of tour and card product activities. In line with established international practice, the income arising from the buying and selling of foreign currencies has been included on the basis of margins achieved, since inclusion on their gross value would not be meaningful and potentially misleading for use as an indicator of the level of the Company's business.

All of the Company's activities are considered to be one inter related business.

g) Revenue Recognition :

Commission on tickets and service charges from customers are recognised on issue of the tickets. Incentive from airlines are accounted on the basis of tickets issued to sectors travelled.

Revenue on Foreign Exchange transactions are recognized at the time of Purchase and Sale.

Revenue on holiday packages are accounted on commencement of the tour.

Revenue from other income are accounted on accrual basis.

h) Start up costs of new businesses :

All costs in relation to new businesses are amortised over a period of two years commencing from the date the new businesses start generating revenues.

i) Goodwill :

Goodwill arising on acquisitions is amortised over a period of five years commencing with the year of purchase.

j) Deferred Taxation :

Deferred taxation liabilities are provided in respect of taxable temporary differences, calculated at current statutory income tax rate.



Thomas Cook
(India) Limited

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST OCTOBER, 2001 AND THE PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED ON THAT DATE**

2. NOTES TO ACCOUNTS

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances, Rs.3,11,61,128/- (previous year Rs. 1,10,08,765/-).
- b) Contingent liabilities
 - i) Claims against the company not acknowledged as debts Rs. 31,81,250/- (previous year Rs. 31,81,250/-)
 - ii) Disputed income-tax demand Rs. 1,85,33,792/- (previous year Rs. 1,85,33,792/-)
- c) Income-tax provision and payment have been made, without considering benefit of deduction under Section 80HHC of the Income-tax Act, 1961, claimed by the Company in its Income-tax Returns, as such claims have not been accepted by the Income-tax department against which the Company is in appeal.
- d) Pursuant to stock purchase agreement dated 18th July 2000, the company had purchased 5,00,000 ordinary shares of par value USD 0.01 per share at USD 2 per share aggregating to USD 10,00,000/- in Bidorbuy.com Inc. a company incorporated under the laws of the state of Delaware. As per the terms of the agreement, the company had remitted USD 5,00,000/- on 23rd May, 2000 being consideration for 2,50,000 ordinary shares. Purchase consideration for balance 2,50,000 ordinary shares was in the form of release of advertisements for promotion of Bidorbuy.com.Inc web site in India. As per supplemental agreement dated 27th December 2000 the value of such advertisements was Rs.2,25,00,000/- equivalent of USD 5,00,000/-. The actual cost incurred on the advertisement is Rs. 56,15,714/-. The difference arising between the actual cost of advertisement incurred at the time of release / transfer thereof and value as mentioned in the above referred supplemental agreement is reduced from the carrying cost of the investment.

Further in the absence of adequate information on the fair value of the investment of Rs.2,77,15,714/- and on account of significant downturn in the e-commerce space, as a measure of prudence, the Company has decided to provide for the full amount by taking a charge of the above amount to the Profit and Loss account.

- e) The Company's Gratuity Scheme is administered by Life Insurance Corporation of India (LIC). The Company has made premium contributions towards the Gratuity Scheme as called for by LIC. The company has obtained independent actuarial valuation and the shortfall has been provided for during the year.

For the previous year the Company had obtained actuarial valuation of the present value of Gratuity Service liability from an independent Actuary so as to ascertain whether funds available with LIC are sufficient to meet the present value of Gratuity Service Liability. As per the independent Actuary's report, the funds available with LIC, as compared to present value of gratuity Service liability was short by Rs. 1,46,45,000/-. The company had provided for the same in the previous year.

- f) The Deferred Tax Liability comprises of tax effect of timing differences on account of :

	As at 31-10-2001	As at 31-12-2000
i) Fixed Assets excess net block over written down value as per the provisions of the Income-tax Act 1961	5,79,58,983	5,11,30,658
ii) Provision for Doubtful Debts	(60,35,424)	(51,15,600)
iii) Provision for Gratuity	50,43,354	52,28,265
iv) Start-up cost of new businesses claimed fully in the Return of Income under the Income-tax Act 1961 in the year of incurrance but amortised in financial statements	15,17,600	43,48,540
	<u>5,84,84,513</u>	<u>5,55,91,863</u>



Thomas Cook
(India) Limited

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST OCTOBER, 2001 AND THE PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED ON THAT DATE**

	Period ended 31st October, 2001 Rs.	Year ended 31st December, 2000 Rs.
SCHEDULE "P" (contd.)		
g) Managerial Remuneration under Section 198 of the Companies Act, 1956 :		
Whole-time directors (excluding gratuity contributed for the company as whole)		
Salaries	31,30,150	36,75,097
House Rent Allowance/Perquisite	15,80,000	18,77,065
Commission	27,47,028	36,97,607
Contribution to provident and other funds	8,45,141	9,92,276
Perquisites in cash and in kind	32,05,775	36,34,597
	<u>1,15,08,094</u>	<u>1,38,76,642</u>
Commission to non-executive directors	9,81,081	6,45,521
	<u>1,24,89,175</u>	<u>1,45,22,163</u>
Directors' fees	<u>2,81,000</u>	<u>1,18,500</u>
Computation of net profits in accordance with Section 198 read with Section 309(5) of the Companies Act, 1956		
Profit before taxation as per profit and loss account	16,23,04,768	20,29,26,836
Remuneration to directors	1,24,89,175	1,45,22,163
Directors' fees	2,81,000	1,18,500
Depreciation per accounts	4,61,25,089	5,93,10,071
Loss on fixed assets sold/scrapped per accounts	3,81,870	12,66,800
Net profit on fixed assets sold/scrapped as per Section 350	<u>95,782</u>	<u>35,77,214</u>
	<u>22,16,77,684</u>	<u>28,17,21,584</u>
Less :		
Depreciation as per Section 350	3,41,52,953	4,65,36,759
Net loss on fixed assets sold/scrapped as per Section 350	4,41,805	13,08,636
Profit on sale of fixed assets per accounts	<u>2,19,597</u>	<u>36,00,845</u>
	<u>3,48,14,355</u>	<u>5,14,46,240</u>
Net Profit	<u>18,68,63,329</u>	<u>23,02,75,344</u>
Commission to non-executive directors @ 1%	18,31,352	22,59,322
Commission to executive directors @ 10%	1,83,13,522	2,25,93,220
Commission payable to directors; restricted by the Board of Directors to	<u>37,28,109</u>	<u>43,43,128</u>
h) Expenditure in foreign currency :		
Interest and bank charges	88,09,464	64,76,736
Professional fees	92,717	2,68,363
Travelling, subscription and others	1,18,10,574	95,79,631



Thomas Cook
(India) Limited

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST OCTOBER, 2001 AND THE PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED ON THAT DATE**

		Period ended 31st October, 2001 Rs.	Year ended 31st December, 2000 Rs.
SCHEDULE "P" (contd.)			
i) Remittances in foreign currencies :			
(other than in normal course of the business as foreign exchange authorised dealers)			
On account of dividend :			
Net amount remitted to a non-resident shareholder - Thomas Cook Overseas Limited			
No. of shares held	Dividend for the year ended		
58,33,333	31st December, 2000	1,92,50,000	—
35,00,000	31st December, 1999	—	1,75,00,000
j) Earnings in foreign exchange :			
(excluding reimbursement of expenses and receipts in foreign currency of foreign exchange transactions in the normal course of business as authorised dealers)			
Interest	22,28,074	7,70,326	
Communication charges	3,50,914	8,74,167	
Receipts from independent tours and travel	9,76,48,945	14,29,74,285	
Commission on travellers cheques	63,61,460	1,02,25,794	
Management fees	20,98,260	17,02,500	
Dividend	14,39,250	17,18,774	
k) C.I.F. value of import in respect of capital goods	—	29,786	



Thomas Cook
(India) Limited

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST OCTOBER, 2001 AND THE PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED ON THAT DATE**

SCHEDULE "P" (contd.)

I) The balance sheet abstract and Company's general business profile as required by Part IV to Schedule VI to the Companies Act, 1956 are given below:

I. Registration Details

Registration No.

2	0	7	1	7	/	T	A
---	---	---	---	---	---	---	---

 State Code

1	1
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Balance Sheet Date

3	1
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1	0
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2	0	0	1
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Date Month Year

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue	Rights Issue																		
<table border="1"><tr><td>-</td><td>-</td><td>-</td><td>N</td><td>I</td><td>L</td><td>-</td><td>-</td><td>-</td></tr></table>	-	-	-	N	I	L	-	-	-	<table border="1"><tr><td>-</td><td>-</td><td>-</td><td>N</td><td>I</td><td>L</td><td>-</td><td>-</td><td>-</td></tr></table>	-	-	-	N	I	L	-	-	-
-	-	-	N	I	L	-	-	-											
-	-	-	N	I	L	-	-	-											
Bonus Issue	Private Placement																		
<table border="1"><tr><td>-</td><td>-</td><td>-</td><td>N</td><td>I</td><td>L</td><td>-</td><td>-</td><td>-</td></tr></table>	-	-	-	N	I	L	-	-	-	<table border="1"><tr><td>-</td><td>-</td><td>-</td><td>N</td><td>I</td><td>L</td><td>-</td><td>-</td><td>-</td></tr></table>	-	-	-	N	I	L	-	-	-
-	-	-	N	I	L	-	-	-											
-	-	-	N	I	L	-	-	-											

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities*	Total Assets**																		
<table border="1"><tr><td>-</td><td>-</td><td>1</td><td>5</td><td>9</td><td>9</td><td>6</td><td>4</td><td>2</td></tr></table>	-	-	1	5	9	9	6	4	2	<table border="1"><tr><td>-</td><td>-</td><td>1</td><td>5</td><td>9</td><td>9</td><td>6</td><td>4</td><td>2</td></tr></table>	-	-	1	5	9	9	6	4	2
-	-	1	5	9	9	6	4	2											
-	-	1	5	9	9	6	4	2											
* includes current liabilities and deferred tax liability	** includes current assets																		
Sources of Funds	Reserves and Surplus																		
Paid-up Capital	<table border="1"><tr><td>-</td><td>-</td><td>-</td><td>7</td><td>6</td><td>8</td><td>8</td><td>4</td><td>1</td></tr></table>	-	-	-	7	6	8	8	4	1									
-	-	-	7	6	8	8	4	1											
<table border="1"><tr><td>-</td><td>-</td><td>-</td><td>1</td><td>4</td><td>5</td><td>8</td><td>3</td><td>3</td></tr></table>	-	-	-	1	4	5	8	3	3	Unsecured Loans									
-	-	-	1	4	5	8	3	3											
Secured Loans	<table border="1"><tr><td>-</td><td>-</td><td>-</td><td>-</td><td>4</td><td>5</td><td>7</td><td>2</td><td>9</td></tr></table>	-	-	-	-	4	5	7	2	9									
-	-	-	-	4	5	7	2	9											
<table border="1"><tr><td>-</td><td>-</td><td>-</td><td>2</td><td>0</td><td>5</td><td>8</td><td>7</td><td>9</td></tr></table>	-	-	-	2	0	5	8	7	9	Investments									
-	-	-	2	0	5	8	7	9											
Application of Funds	<table border="1"><tr><td>-</td><td>-</td><td>-</td><td>-</td><td>2</td><td>9</td><td>7</td><td>7</td><td>3</td></tr></table>	-	-	-	-	2	9	7	7	3									
-	-	-	-	2	9	7	7	3											
Net Fixed Assets	Miscellaneous Expenditure																		
<table border="1"><tr><td>-</td><td>-</td><td>-</td><td>4</td><td>4</td><td>9</td><td>5</td><td>8</td><td>3</td></tr></table>	-	-	-	4	4	9	5	8	3	<table border="1"><tr><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>4</td><td>2</td><td>5</td><td>1</td></tr></table>	-	-	-	-	-	4	2	5	1
-	-	-	4	4	9	5	8	3											
-	-	-	-	-	4	2	5	1											
Net Current Assets*																			
<table border="1"><tr><td>-</td><td>-</td><td>-</td><td>6</td><td>8</td><td>2</td><td>6</td><td>7</td><td>5</td></tr></table>	-	-	-	6	8	2	6	7	5										
-	-	-	6	8	2	6	7	5											
* net of deferred tax liability																			
Accumulated Losses																			
<table border="1"><tr><td>-</td><td>-</td><td>-</td><td>N</td><td>I</td><td>L</td><td>-</td><td>-</td><td>-</td></tr></table>	-	-	-	N	I	L	-	-	-										
-	-	-	N	I	L	-	-	-											



Thomas Cook
(India) Limited

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST OCTOBER, 2001 AND THE PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED ON THAT DATE

SCHEDULE "P" (contd.)

IV. Performance of Company (Amount in Rs. Thousands)

Turnover										Total Expenditure*											
-	-	-	7	4	3	9	4	7		-	-	-	5	8	1	6	4	2			
Profit / Loss before tax										Profit / Loss after tax											
	+	-	-	-	1	6	2	3	0	5		+	-	-	-	-	9	1	2	0	1
(+ for Profit, — for Loss)																					
Earning per share in Rs.										Dividend @ %											
-	-	-	6	.	2	5				2	8										

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)	N	O	T		A	P	P	L	I	C	A	B	L	E						
Product Description	A	U	T	H	O	R	I	S	E	D		F	O	R	E	I	G	N	-	-
	E	X	C	H	A	N	G	E		D	E	A	L	E	R	S	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Item Code No. (ITC Code)	N	O	T		A	P	P	L	I	C	A	B	L	E						
Product Description	T	R	A	V	E	L		A	G	E	N	T	S	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Item Code No. (ITC Code)	N	O	T		A	P	P	L	I	C	A	B	L	E						
Product Description	T	O	U	R		O	P	E	R	A	T	O	R	S	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

- m) Previous year's figures have been regrouped wherever necessary.
n) The figures for the current period are not comparable with those of the previous year as they are for a period of ten months from January to October 2001 as against twelve months for the previous year.

Signatures to Schedules A to P
For and on behalf of the Board of Directors
P. P. MADHAVJI — CHAIRMAN
A. M. KAKKAR — CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR
P. SREEKUMAR — EXECUTIVE DIRECTOR-FINANCE
M. MENON — EXECUTIVE DIRECTOR-FOREIGN EXCHANGE
R. R. KENKARE — HEAD OF LEGAL & COMPANY SECRETARY

Mumbai
Dated : 6th December, 2001.



Thomas Cook
(India) Limited

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST OCTOBER, 2001

(Pursuant to the Listing Agreement with Stock Exchanges)

	Rs.	2001 Rs.	Rs.	2000 Rs.
A CASH FLOW FROM OPERATING ACTIVITIES :				
NET PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		19,00,20,482		20,29,26,836
Adjustments for :				
Depreciation	4,61,25,089		5,93,10,071	
Interest on tax refunds	(34,90,511)		(1,62,56,526)	
Interest income	(57,65,592)		(56,00,217)	
Exchange Fluctuation	(2,49,059)		(3,54,747)	
Dividend income	(44,39,250)		(52,18,774)	
Profit on sale of fixed assets	(2,19,597)		(36,00,845)	
Loss on sale of fixed assets	3,81,870		12,66,800	
Provision for gratuity	—		1,46,45,000	
Interest expense	1,11,14,413		3,56,86,914	
Start up cost of new businesses (net of payments)	79,29,804		1,28,42,485	
		5,13,87,167		9,27,20,161
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		24,14,07,649		29,56,46,997
Adjustments for :				
Trade and other receivables	14,71,54,845		(28,86,62,287)	
Trade payable / provisions	(13,19,96,508)		16,45,72,505	
		1,51,58,337		(12,40,89,782)
CASH GENERATED FROM OPERATIONS		25,65,65,986		17,15,57,215
Interest paid	(98,69,756)		(3,57,49,748)	
Interest received on tax refund	57,24,835		1,03,99,438	
Interest received	61,35,419		59,27,666	
Direct taxes paid-net of refund	(3,74,74,435)		(6,63,62,208)	
		(3,54,83,937)		(8,57,84,852)
NET CASH FROM / (USED) IN OPERATING ACTIVITIES		22,10,82,049		8,57,72,363
B CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of fixed assets / goodwill	(4,67,01,671)		(6,70,16,677)	
Sale of fixed assets	8,99,485		74,81,674	
Decrease/(Increase) in Investments	1,68,84,106		(7,18,73,451)	
Dividend received	30,00,000		52,18,774	
NET CASH USED IN INVESTING ACTIVITIES		(2,59,18,080)		(12,61,89,680)
C CASH FLOW FROM FINANCING ACTIVITIES :				
(Decrease)/Increase in borrowings	(29,20,75,145)		(10,91,63,122)	
Dividend paid	(4,81,25,000)		(4,37,50,000)	
NET CASH USED IN FINANCING ACTIVITIES		(34,02,00,145)		(15,29,13,122)
NET (DECREASE) / INCREASE IN CASH OR CASH EQUIVALENT (A+B+C)		(14,50,36,176)		(19,33,30,439)
CASH AND CASH EQUIVALENT AS AT THE COMMENCEMENT OF THE PERIOD		65,92,41,657		85,25,72,096
CASH AND CASH EQUIVALENT AS AT THE END OF THE PERIOD		51,42,05,481		65,92,41,657
NET (DECREASE) / INCREASE AS DISCLOSED ABOVE		(14,50,36,176)		(19,33,30,439)

Note: The above cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 on cash flow statements issued by the Institute of Chartered Accountants of India.

For and on behalf of the Board of Directors

Mumbai
Dated : 6th December, 2001

A. M. KAKKAR
CHIEF EXECUTIVE OFFICER
& MANAGING DIRECTOR

AUDITORS' CERTIFICATE

We have examined the above cash flow statement of Thomas Cook (India) Limited for the ten month period ended 31st October, 2001. The statement has been prepared by the Company in accordance with the requirements of the listing agreement with Mumbai Stock Exchange and is based on and derived from the audited accounts of the Company for the year ended 31st December, 2000 and ten month period ended 31st October, 2001

For Lovelock & Lewes
Chartered Accountants

Mumbai
Dated : 6th December, 2001

SANJAY HEGDE
Partner



Thomas Cook
(India) Limited

INFORMATION REGARDING SUBSIDIARY COMPANIES PURSUANT TO
SECTION 212(l)(e) OF THE COMPANIES ACT, 1956

(a)	Subsidiary Companies	Hindustan Cargo Limited	Thomas Cook Tours Limited	India Alive Tours Limited	Indian Horizon Travel & Tours Limited	TC (Mauritius) Holding Co. Limited	TC (Mauritius) Operations Co. Limited
(b)	Holding Company's Interest	Holding Company along with a nominee holds 2,50,000 shares of Rs.10 each fully paid-up	Holding Company along with a nominee holds 9 shares of Rs.10 each fully paid-up	Holding Company along with a nominee holds 9 shares of Rs.10 each fully paid-up	Holding Company along with a nominee holds 9 shares of Rs.10 each fully paid-up	Holding Company along with a nominee holds 5,90,000 shares of USD 1/- each fully paid-up	TC (Mauritius) Holding Co. Limited along with a nominee holds 1,50,000 shares of MRU 100/- each fully paid-up
(c)	Net aggregate amount of the Subsidiary Company's profit/(loss) not dealt with in the Company's accounts:						
	i) For the Subsidiary Company's financial period ended 31st October, 2001	Rs. (21,603)				USD 7,150	MRU (1,53,497)
	ii) For the Subsidiary Company's previous financial years	Rs. 97,79,793				USD (6,438)	MRU 4,70,900
(d)	Net aggregate amount of the Subsidiary Company's profit dealt with in the Company's accounts:						
	i) For the Subsidiary Company's financial period ended 31st October, 2001						
	ii) For the Subsidiary Company's previous financial years						

For and on behalf of the Board of Directors

P. P. MADHAVJI	-	CHAIRMAN
A. M. KAKKAR	-	CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR
P. SREEKUMAR	-	EXECUTIVE DIRECTOR - FINANCE
M. MENON	-	EXECUTIVE DIRECTOR - FOREIGN EXCHANGE
R. R. KENKARE	-	HEAD OF LEGAL & COMPANY SECRETARY

Mumbai
Dated : 6th December, 2001



Hindustan Cargo
L i m i t e d

DIRECTORS' REPORT

TO THE MEMBERS:

Your Directors have pleasure in presenting the Ninth Annual Report together with the Balance Sheet and Profit and Loss Account for the 10 months period ended 31st October, 2001.

FINANCIAL RESULTS:

Your Company changed its financial year in line with its Holding Company i.e. Thomas Cook (India) Limited, so as to close on 31st October, every year. Your company has produced good results during the 10 months period ended 31st October, 2001 despite keen competition affecting all the areas of the Company's activities and overall economic conditions.

	Jan./Oct. (2001)	Jan./Dec. (2000)
	(Amount in Rupees)	
Profit before		
Taxation	56,07,970	1,00,08,427
Provision for		
Taxation	23,00,000	37,50,000
Provision for		
deferred taxation	23,573	Nil
Profit after		
Taxation	32,84,397	62,58,427
Interim Dividend	30,00,000	35,00,000
Corporate		
Dividend Tax	3,06,000	7,70,000
Transferred to		
General Reserve	3,28,440	6,25,843

At present your Company operates through its 7 offices at Mumbai, Bangalore, New Delhi, Hyderabad, Pune, Kolkata & Chennai as Cargo Agents offering a wide range of clearing and forwarding services in air and sea export, import, consolidation and break bulk service and wherever required, door to door.

DIVIDEND:

During the year your Directors have paid an interim dividend of 120%. The

dividend absorbed Rs. 30,00,000/- and corporate dividend tax absorbed Rs. 3,06,000/-. In view of the interim dividend paid, no final dividend is recommended by the Board of Directors.

GENERAL RESERVE:

Your Directors have transferred Rs. 3,28,440/- to the General Reserve out of the profits of the Company. The total Reserves & Surplus now stands at Rs. 97,58,190/- as at 31st October, 2001.

CHANGE OF STATUS:

Your Company became a Simplified Public Company pursuant to the Companies (Amendment) Act, 2000 and the same has been duly approved by the Registrar of Companies, Mumbai with effect from 29th June, 2001.

DIRECTORS:

Mr. M. V. Lakshminarayanan resigned from the Board of Directors effective 23rd July, 2001. The Board places on record its appreciation for the services he rendered during his tenure on the Board of Directors.

Mr. I. G. Shahani was appointed as an Additional Director of the Company under Article 117 of the Articles of Association of the Company effective 23rd July, 2001. He will hold office up to the date of the forthcoming Annual General Meeting and is eligible for re-appointment. In accordance with Section 257 of the Companies Act, 1956, the Company has received a notice in writing proposing the candidatures of Mr. Shahani for the office of Director, liable to retire by rotation.

In accordance with Article 131 of the Articles of Association, Mr. P. P. Madhavji and Mr. M. Menon retire by rotation and being eligible offer themselves for re-appointment.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

EARNINGS AND EXPENDITURE:

The foreign exchange earnings during the year amounted to Rs.10,80,369 /-.

During the year, the Company has incurred expenditure in foreign currency towards subscription and travel amounting to Rs.3,65,858/- as disclosed under Schedule N Note 8.

Since your Company does not own any manufacturing facility, the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are not applicable.

PUBLIC DEPOSITS:

Your Company has not accepted deposits u/s 58A of the Companies Act, 1956 from the Public.

AUDITORS :

M/s. Lovelock & Lewes, Chartered Accountants, Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for re-appointment.

EMPLOYEES :

Relations with the employees continued to be cordial throughout the year. Your Directors place on record their appreciation for the efforts and dedication of the employees in producing good results during the period under review.

INFORMATION PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956 :

There are no employees drawing remuneration beyond monetary ceilings prescribed u/s 217(2A) of the Companies Act, 1956.

DIRECTORS' RESPONSIBILITY STATEMENT:

1. In the preparation of the annual accounts, the applicable accounting standards were followed along with



- proper explanation relating to material departures;
2. The accounting policies were selected and applied consistently and judgements and estimates were made which were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
3. Proper and sufficient care for the maintenance of adequate

accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities were taken;

4. The annual accounts were prepared on a going concern basis.

COMPLIANCE CERTIFICATE FROM
PRACTICING COMPANY SECRETARY:

M/s. P. C. Shah & Co. was appointed to carry out Secretarial Audit as required u/s 383A of the Companies Act, 1956 as

amended by the Companies (Amendment) Act, 2000. The Compliance Certificate of the said Secretary in whole-time practice, is attached to this report.

For and on behalf of the Board
P.P. MADHAVJI
CHAIRMAN

Place : MUMBAI

Dated: 4th December, 2001



COMPLIANCE CERTIFICATE

To
The Members,
Hindustan Cargo Limited,

We have examined the registers, records, books and papers of Hindustan Cargo Limited (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial period 1st January, 2001 to 31st October, 2001. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial period:

1. the company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. the company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, or other authorities within the time prescribed under the Act and the rules made thereunder.
3. the company was a deemed public limited company and got converted itself into public limited company and the Certificate of Incorporation duly amended after conversion into public limited company was received from the Registrar of Companies on 29th June, 2001.
4. the Board of Directors duly met 4 times on 6th February, 2001, 19th April, 2001, 23rd July, 2001 and 16th October, 2001 in respect of which meetings, proper notices were

given and the proceedings were properly recorded and signed.

5. the company was not required to close its Register of Members.
6. the annual general meeting for the financial year ended on 31st December, 2000 was held on 19th April, 2001 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. no extra ordinary meeting was held during the financial period under review.
8. the company has not advanced any loans to its directors and/or persons or firms or companies referred in section 295 of the Act.
9. we are informed that there are no contracts within the meaning of section 297 of the Act.
10. the company has made the necessary entries in the register maintained under section 301 of the Act.
11. there are no appointments or contracts in respect of holding an office or place of profit within the meaning of section 314 of the Act.
12. the company has not issued any duplicate share certificates.
13. the Company has:
 - (i) delivered its share certificates on lodgment for transfer in accordance with the provisions of the Act.
 - (ii) complied with the provisions of Section 205A of the Act in relation to declaration and

payment of dividend as applicable at that time.

- (iii) paid dividend and there was no unclaimed/unpaid dividend as are required to be transferred to unpaid dividend account.
- (iv) no unpaid dividend, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid and as are required to be transferred to Investor Education and Protection Fund.
- (v) duly complied with the requirements of section 217 of the Act.
14. the Board of Directors of the company is duly constituted and the appointment of directors and additional directors have been duly made.
15. Mr. Prakash Asnani was appointed as Managing Director vide Circular resolution dated 18/12/2000 for a period of 3 years from 3/1/2001 to 2/1/2004 in terms of Section 198, 269 read with Schedule XIII to the Act for which Form 25C was filed with the Registrar of Companies on 10/01/2001. The company has revised the remuneration payable to Mr. Prakash Asnani during the period under review.
16. the company has not appointed any sole-selling agents.
17. there are no approvals required to be taken by the company from the Central Government, Company Law Board, Regional Director, Registrar



or such other applicable authorities as may be prescribed in the Act during the period under review.

18. the directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. the company has not issued any shares/debentures/other securities during the financial period.
20. there are no shares bought back by the company during the financial period.
21. the company has not issued any redeemable preference shares/debentures during the period and there is no redemption of preference shares.
22. there are no pending keeping in abeyance rights to dividend, rights shares and bonus shares.
23. the company has not accepted deposits within the meaning of section 58A of the Companies Act, 1956.
24. the amount borrowed by the Company from Directors, members, public, financial institutions, banks and others during the financial

period ended 31st October, 2001 are within the borrowing limits of the company and that necessary resolutions as per section 293(1)(d) of the Act have been passed in duly convened annual/extra ordinary general meeting.

25. the company has not made any loans and investments or given guarantees or provided securities to other bodies corporate and consequently no entries are made in the Register kept for the purpose.
26. the company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the period under scrutiny.
27. the company has not altered the provisions of the memorandum with respect to the objects of the company during the period under scrutiny.
28. the company has not altered the provisions of the memorandum with respect to name of the company during the period under scrutiny.
29. the company has not altered the provisions of the memorandum

with respect to share capital of the company during the period under scrutiny.

30. the company has suitably altered its Articles of Association with respect to public limited company as the company got converted into public limited company during the period under scrutiny.
31. there was no prosecution initiated against or show cause notices received by the company during the financial period for offences under the Act.
32. the company has not received any amount as security from its employees during the period under certification as per provisions of section 417(1) of the Act.
33. the company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.

For P.C. SHAH & CO.

(Pradip C. Shah)
Practising Company Secretary
Proprietor

Place: Mumbai
Date : 3rd December, 2001



Hindustan Cargo
L i m i t e d

ANNEXURE A

Registers as maintained by the Company

1. Register of Members u/s. 150.
2. Register of Charges u/s. 143.
3. Books of Accounts u/s. 209.
4. Register of Directors, Managing Director, Manager and Secretaries u/s.303.
5. Register of Contracts with the Companies and firms in which directors are directly or indirectly interested u/s. 301.
6. Register of Director's Shareholding u/s. 307.
7. Register of Investments in shares or securities not held in company's name.
8. Common Seal Register.
9. Register of Directors Attendance in Board Meeting.
10. Minutes Book of Annual General meeting u/s. 193.
11. Minutes Book of Board Meeting u/s. 193.
12. Register of Intercompany loans and investments.

For P.C. SHAH & CO.

Place: Mumbai
Date : 3rd December, 2001

(Pradip C. Shah)
Practising Company Secretary
Proprietor

ANNEXURE B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended on 31st October, 2001.

1. Form No. III u/s. 187 for declarations to be made u/s. 187 (C) of the Companies Act, 1956 filed with the Registrar of Companies on 3rd August, 2001.
2. Balance Sheet for the year ended 31/12/2000 filed u/s. 220 filed with the Registrar of Companies on 18th May, 2001.
3. Annual Return made under Schedule V to the Companies Act, 1956 in respect of AGM held on 19th April, 2001 filed with the Registrar of Companies on 18th June, 2001.
4. Form No. 29 dated 23rd July, 2001, consent to act as Director by Mr. Indru G. Shahani, filed with the Registrar of Companies on 8th August, 2001.
5. Form No. 32 dated 7th August, 2001, in respect of appointment of Mr. Indru G. Shahani as director and resignation of Mr. M.V. Laxminarayanan as director, filed with the Registrar of Companies on 8th August, 2001.
6. Form No. 32 dated 1st February, 2001 in respect of resignation of Mrs. Smruti K. Zaveri as Company Secretary, filed with the Registrar of Companies on 27th February, 2001.
7. Statement in lieu of Prospectus and Form No. 23 filed in respect of conversion of deemed public company into public limited company with Registrar of Companies on 18th June, 2001.
8. Form No. 29 (2 Nos.) dated 17th April, 2001 in respect of consent to act as Director by Mr. Prakash Asnani and Mr. Madhavan Menon, filed with the Registrar of Companies on 18th May, 2001.
9. Form No. 32 in respect of regularisation of appointment of Mr. Prakash Asnani and Mr. Madhavan Menon at the Annual General Meeting held on 19th April, 2001 filed with the Registrar of Companies on 18th May, 2001.
10. Form No. 23AA in respect of Notice of address at which Books of Accounts are maintained filed with the Registrar of Companies on 16th March, 2001.
11. Form No. 29 & 32 in respect of appointment of Mr. Prakash Asnani as Director of the company filed on 10th January, 2001.
12. Form No. 23 & 25C in respect of appointment and payment of remuneration to Mr. Prakash Asnani as Managing Director filed on 10th January, 2001.
13. Form No. 23 in respect of revision in terms and conditions including remuneration payable to Mr. Prakash Asnani with effect from 3rd January, 2001 was filed with the Registrar of Companies on 7th March, 2001.

For P.C. SHAH & CO.

Place: Mumbai
Date : 3rd December, 2001

(Pradip C. Shah)
Practising Company Secretary
Proprietor



Hindustan Cargo
L i m i t e d

AUDITORS' REPORT

To the Members of Hindustan Cargo Limited

1. We have audited the attached balance sheet of Hindustan Cargo Limited as at 31st October 2001 and the annexed profit and loss account for the period ended on that date, which are in agreement with the books of account.
2. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, of India, and on the basis of such checks of books and records as we considered appropriate and the information and explanations given to us during the course of our audit, we give in the Annexure, a statement of the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to in paragraph 2 above :
 - (i) we have obtained all the information and explanations which to the

best of our knowledge and belief were necessary for the purposes of our audit;

- (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (iii) in our opinion, the profit and loss account and balance sheet comply with the accounting standards specified by the Institute of Chartered Accountants of India, referred to in Section 211 (3C) of the Companies Act, 1956;
- (iv) based on representations made by all the Directors of the Company and the information and explanations as made available, none of the Directors of the Company *prima facie* have any disqualification, as referred to in Section 274 (1)(g) of the Companies Act, 1956 in Companies in which they are Directors as on the date of

the last balance sheet of those Companies;

- (v) in our opinion and to the best of our information and according to the explanations given to us, the said accounts together with notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view;
 - (a) in the case of the balance sheet, of the state of affairs of the Company as at 31st October, 2001;
- and
- (b) in the case of the profit and loss account, of the profit of the Company for the period ended on that date.

For Lovelock & Lewes
Chartered Accountants

SANJAY HEGDE
Partner

Mumbai

Dated: 4th December, 2001.



ANNEXURE TO THE AUDITORS' REPORT

Annexure referred to in paragraph 2 of the Auditors' Report to the Members of Hindustan Cargo Limited on the Accounts for the 10 months period ended 31st October, 2001.

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. All assets are physically verified by the management once in a year which in our opinion is reasonable and no material discrepancies were noticed on such verification carried out during the period.
2. None of the fixed assets have been revalued during the period.
3. The Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 or from Companies under the same management as defined under sub-section (1-B) of Section 370 of the Companies Act, 1956 where the rate of interest and other terms and conditions are, in our opinion, prima facie prejudicial to the interest of the Company.
4. The Company has not granted any loans to companies, firms or other

parties listed in the register maintained under Section 301 of the Companies Act, 1956 or to Companies under the same management as defined under sub-section (1- B) of Section 370 of the Companies Act, 1956.

5. In respect of the loans or advances in the nature of loans given by the Company, the principal amounts and interest where applicable have been recovered as stipulated.
6. There are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of equipment and other assets. There are no purchase of raw materials including components, plant and machinery and sale of goods.
7. There are no sales of services made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the period to Rs.50,000/- or more in respect of each party.
8. The Company has not accepted any deposits from the public to which the provisions of Section 58A of the

Companies Act, 1956 or the rules framed thereunder would apply.

9. The Company has an internal audit system commensurate with the size and the nature of its business
10. The Company has been regular in depositing the Provident Fund and Employees' State Insurance dues with the appropriate authorities.
11. No undisputed amounts payable in respect of income-tax and wealth tax were outstanding as at 31st October, 2001 for a period of more than six months from the date they became payable.
12. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices, we have not come across any personal expenses which have been charged to revenue account, nor we have been informed of such cases by the management, other than those payable under contractual obligations or in accordance with generally accepted business practice.
13. The Company is not a Sick Industrial Company within the meaning of Clause (o) of sub-



Hindustan Cargo
L i m i t e d

ANNEXURE TO THE AUDITORS' REPORT

section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

14. In respect of service activities of the Company:

(i) the service activities of the company does not require materials and hence recording of receipts, issues and consumption of materials does not arise;

(ii) though allocation of man hours utilised is not made to the relative jobs, in our opinion, control is exercised on the total labour utilised on the jobs;

(iii) the Company has a reasonable system of authorisation at proper levels and an adequate system of internal control commensurate with the size of the Company and nature of its business and as stated in (ii) above, though allocation of labour is not made to the relative jobs, in our opinion, control is exercised on the total labour utilised on the jobs.

15. As per the information and explanations given to us and taking into consideration the nature of the business of the Company, clauses (iii), (iv), (v), (vi),

(xii), (xiv) and (xvi) of paragraph 4(A), clauses (i) and (ii) of paragraph 4(C), clauses (i), (ii), (iii) and (iv) of paragraph 4(D) are not applicable to the Company.

For Lovelock & Lewes
Chartered Accountants

SANJAY HEGDE
Partner

Mumbai

Dated: 4th December, 2001.



Hindustan Cargo
L i m i t e d

BALANCE SHEET AS AT 31ST OCTOBER, 2001

	Schedule	As at 31st October, 2001 Rs.	As at 31st December, 2000 Rs.
I. SOURCES OF FUNDS :			
SHAREHOLDERS' FUNDS :			
Share capital	A	25,00,000	25,00,000
Reserves and surplus	B	97,58,190	98,55,050
		<u>1,22,58,190</u>	<u>1,23,55,050</u>
LOAN FUNDS :			
Unsecured loans	C	30,58,592	—
TOTAL :		<u><u>1,53,16,782</u></u>	<u><u>1,23,55,050</u></u>
II. APPLICATION OF FUNDS :			
FIXED ASSETS :			
Gross block	D	77,50,110	69,98,704
Less : Depreciation		33,71,222	27,11,512
Net block		<u>43,78,888</u>	<u>42,87,192</u>
CURRENT ASSETS, LOANS AND ADVANCES :			
Sundry debtors	E	1,64,21,562	1,09,74,091
Cash and bank balances	F	36,09,446	2,92,17,970
Loans and advances	G	73,57,371	7,60,81,731
		<u>2,73,88,379</u>	<u>11,62,73,792</u>
LESS : CURRENT LIABILITIES AND PROVISIONS :			
Current liabilities	H	1,53,69,028	10,77,28,752
Provisions	I	9,82,627	4,77,182
		<u>1,63,51,655</u>	<u>10,82,05,934</u>
NET CURRENT ASSETS		<u>1,10,36,724</u>	<u>80,67,858</u>
DEFERRED TAX LIABILITY		<u>(98,830)</u>	<u>—</u>
TOTAL :		<u><u>1,53,16,782</u></u>	<u><u>1,23,55,050</u></u>

Notes to the accounts

N

Schedules "A" to "I" and "N" referred to above form an integral part of the Balance Sheet

This is the Balance Sheet referred to in our report of even date

For Lovelock & Lewes
Chartered Accountants

SANJAY HEGDE
Partner

Mumbai
Dated : 4th December, 2001

For and on behalf of the Board of Directors

P. P. MADHAVJI — CHAIRMAN
P. ASNANI — MANAGING DIRECTOR
A. M. KAKKAR — DIRECTOR
M. MENON — DIRECTOR

Dated : 4th December, 2001



Hindustan Cargo
L i m i t e d

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST OCTOBER, 2001

	Schedule	Period ended 31st October, 2001 Rs.	Year ended 31st December, 2000 Rs.
INCOME :			
Income from services rendered	J	2,98,44,845	3,26,29,712
Other income	K	8,92,567	19,75,239
TOTAL :		3,07,37,412	3,46,04,951
EXPENDITURE :			
Personnel expenses	L	87,17,092	88,12,239
Other expenses	M	1,57,10,710	1,51,31,732
Depreciation	D	7,01,640	6,52,553
TOTAL :		2,51,29,442	2,45,96,524
Profit before taxation		56,07,970	1,00,08,427
Provision for taxation		23,00,000	37,50,000
Deferred tax effect of timing differences originating during the year		23,573	—
Profit after taxation		32,84,397	62,58,427
Balance brought forward from last year		82,56,767	68,94,183
Amount available for appropriations		1,15,41,164	1,31,52,610
Less : Appropriations			
Interim dividend paid		30,00,000	35,00,000
Corporate dividend tax		3,06,000	7,70,000
Transferred to general reserve		3,28,440	6,25,843
Balance carried to balance sheet		79,06,724	82,56,767

Notes to the accounts

N

Schedules "D", "J" to "M" and "N" referred to above form an integral part of the Profit and Loss Account

This is the Profit and Loss Account referred to in our report of even date

For Lovelock & Lewes
Chartered Accountants

SANJAY HEGDE
Partner

Mumbai
Dated : 4th December, 2001

For and on behalf of the Board of Directors

P. P. MADHAVJI — CHAIRMAN
P. ASNANI — MANAGING DIRECTOR
A. M. KAKKAR — DIRECTOR
M. MENON — DIRECTOR

Mumbai
Dated : 4th December, 2001



Hindustan Cargo
L i m i t e d

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST OCTOBER, 2001

	Rs.	As at 31st October, 2001 Rs.	As at 31st December, 2000 Rs.
SCHEDULE "A" : SHARE CAPITAL :			
Authorised :			
10,00,000 Equity shares of Rs.10/- each		1,00,00,000	1,00,00,000
Issued and subscribed :			
2,50,000 Equity shares of Rs.10/- each fully paid-up		25,00,000	25,00,000
1) Of the above, 26,955 Equity shares of Rs.10/- each, fully paid-up, have been allotted to Thomas Cook (India) Limited (TCIL), for consideration other than cash			
2) The entire issued share capital of the company is held by the holding company, TCIL, directly or through its nominee			
SCHEDULE "B" : RESERVES AND SURPLUS :			
General reserve :			
Balance as per last balance sheet	15,98,283		9,72,440
Add : Transferred from profit and loss account	3,28,440		6,25,843
Less : Deferred tax liability as at start of the year	75,257		—
		18,51,466	15,98,283
Balance in profit and loss account		79,06,724	82,56,767
		97,58,190	98,55,050
SCHEDULE "C": UNSECURED LOANS :			
Overdrawn current account with a bank - short term		30,58,592	—
		30,58,592	—

SCHEDULE "D" : FIXED ASSETS :

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
Description	Cost as at 31st December, 2000 Rs.	Additions during the period Rs.	Deductions Rs.	Cost as at 31st October, 2001 Rs.	Upto 31st December, 2000 Rs.	For the period Rs.	On Deductions Rs.	Upto 31st October, 2001 Rs.	As at 31st October, 2001 Rs.	As at 31st December, 2000 Rs.
Furniture and fixtures	5,28,283	1,73,400#	—	7,01,683	2,44,946	43,061	—	2,88,007	4,13,676	2,83,337
Office equipment	23,86,916	3,51,380	—	27,38,296	5,96,952	1,28,662	—	7,25,614	20,12,682	17,89,964
Vehicles	27,16,943*	17,850	—	27,34,793	9,57,189	3,38,692	—	12,95,881	14,38,912	17,59,754
Computers	13,66,562	2,50,709	41,933	15,75,338	9,12,425	1,91,225	41,930	10,61,720	5,13,618	4,54,137
GRAND TOTAL	69,98,704	7,93,339	41,933	77,50,110	27,11,512	7,01,640	41,930	33,71,222	43,78,888	42,87,192
Previous year	56,58,854	19,44,463	6,04,613	69,98,704	24,03,468	6,52,553	3,44,509	27,11,512	42,87,192	—

Note : * Includes Rs 13,37,104/- assets purchased under Hire Purchase agreement. Refer Note 3 in Schedule "N"
Includes Rs. 1,25,000/- on account of improvements to leasehold premises



Hindustan Cargo
L i m i t e d

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST OCTOBER, 2001

	Rs.	As at 31st October, 2001 Rs.	As at 31st December, 2000 Rs.
SCHEDULE "E" : SUNDRY DEBTORS :			
Debts outstanding for a period exceeding six months			
Unsecured, considered good		3,02,182	5,68,829
Unsecured, considered doubtful		7,90,153	5,58,628
		<u>10,92,335</u>	<u>11,27,457</u>
Less : Provision for doubtful debts		7,90,153	5,58,628
		<u>3,02,182</u>	<u>5,68,829</u>
Other debts			
Unsecured, considered good		1,61,19,380	1,04,05,262
		<u>1,64,21,562</u>	<u>1,09,74,091</u>
SCHEDULE "F" : CASH AND BANK BALANCES :			
Cash on hand (including cheques on hand)		8,51,755	5,08,351
Balances with scheduled banks :			
On current account	24,37,847		2,83,74,619
On fixed deposit*	<u>3,19,844</u>		<u>3,35,000</u>
		<u>27,57,691</u>	<u>2,87,09,619</u>
		<u>36,09,446</u>	<u>2,92,17,970</u>
*Margin money with banks Rs. 3,19,844/- (31/12/2000 - Rs. 3,35,000/-) of which confirmation pending for Rs. 2,19,844/-			
SCHEDULE "G" : LOANS AND ADVANCES :			
Unsecured, considered good			
Advances recoverable in cash or in kind or for value to be received *		43,56,132	7,34,31,120
Balance with customs, port trust, etc.		2,75,280	3,63,004
Advance payment of tax less provision**		27,25,959	22,87,607
		<u>73,57,371</u>	<u>7,60,81,731</u>
* Includes Rs. 25,000/- of 6 year National Saving Certificate deposited with customs (31/12/2000 Rs. 25,000/-)			
**Net of Provision of Rs. 1,84,85,000/- (31/12/2000 Rs. 1,61,85,000/-)			
SCHEDULE "H" : CURRENT LIABILITIES :			
Sundry creditors*		1,37,16,034	1,31,03,524
Other liabilities		2,16,994	58,401
Advance payment from customers		14,36,000	9,45,66,827
		<u>1,53,69,028</u>	<u>10,77,28,752</u>
*As on 31.10.2001, there are no dues to Small Scale Industrial Undertaking as per the information available with the company (31/12/2000- NIL)			
SCHEDULE "I" : PROVISIONS :			
Provision for gratuity*		4,79,068	—
Provision for leave salary		5,03,559	4,77,182
		<u>9,82,627</u>	<u>4,77,182</u>
*Refer Note 4 in Schedule "N"			



Hindustan Cargo
L i m i t e d

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST OCTOBER, 2001

	Period ended 31st October, 2001 Rs.	Year ended 31st December, 2000 Rs.
SCHEDULE "J": INCOME FROM SERVICES RENDERED :		
Commission	1,29,63,238	1,46,23,566
Agency	1,68,81,607	1,80,06,146
	<u>2,98,44,845</u>	<u>3,26,29,712</u>
 SCHEDULE "K" : OTHER INCOME :		
Interest on fixed deposits (gross)	39,512	89,719
(tax deducted at source Nil - 31/12/2000 - Rs. 1,311/-)		
Profit on sale of fixed assets	4,247	13,583
Exchange gain(net)	8,22,623	8,63,700
Miscellaneous income	6,940	4,83,270
Liabilities/Provision no longer required	19,245	5,24,967
	<u>8,92,567</u>	<u>19,75,239</u>
 SCHEDULE "L" : PERSONNEL EXPENSES :		
Salaries, wages and bonus	60,12,911	62,26,900
Contribution to provident and other funds	7,07,104	7,37,678
Premium on/provision for gratuity-cum-life assurance policy	5,11,050	1,91,813
Staff welfare	14,86,027	16,55,848
	<u>87,17,092</u>	<u>88,12,239</u>
 SCHEDULE "M" : OTHER EXPENSES :		
Electricity charges	2,99,169	4,21,289
Rent	12,21,088	13,03,008
Repairs and maintenance	12,17,272	15,29,412
Vehicle running expenses	6,71,307	7,51,335
Insurance	26,009	26,616
Brokerage and incentives	86,031	9,27,038
Printing and stationery	6,31,074	5,59,835
Postage, telegrams, telex and telephones	19,51,983	21,67,438
Provision for doubtful debts and advances	2,50,770	90,594
Auditors' remuneration :		
For Audit :		
As Auditors		
Fees	2,83,500	2,83,500
Expenses	4,767	—
For Other Services		
Miscellaneous Certification	—	50,000
	<u>2,88,267</u>	<u>3,33,500</u>
Directors' fees	35,000	9,000
Legal and professional fees	4,57,363	199,424
Travelling and subsistence	21,75,132	21,62,908
Miscellaneous expenses	64,00,245	46,50,335
	<u>1,57,10,710</u>	<u>1,51,31,732</u>



Hindustan Cargo
L i m i t e d

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST OCTOBER, 2001 AND THE PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED ON THAT DATE**

SCHEDULE "N"

1. SIGNIFICANT ACCOUNTING POLICIES

- a) The financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the accounting standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

- b) Fixed assets and depreciation :

- i) The gross block of fixed assets is stated in the accounts at the purchase price of acquisition of such fixed assets including any attributable cost of bringing the asset to its working condition for its intended use.
- ii) Depreciation on fixed assets is provided on the Straight Line Method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956, except that in respect of computers and vehicles, the depreciation rates applied are 25 percent and 15 percent respectively. Assets costing less than Rs 5,000/- are charged off in the year on a proportionate basis from the date of purchase. Improvements to leasehold premises are capitalised considering the enduring benefits and are amortised over the lease period.

- c) Accounting for foreign currency transactions :

Foreign currency transactions are recorded at the rate of exchange prevailing at the time of accounting such transactions and exchange differences are dealt with in the profit and loss account. Current assets and liabilities at year-end are converted at closing rates and exchange differences are recognised in the profit and loss account.

- d) Service income :

Income comprises commissions, margins and recoverable expenses in the normal course of business, including as a custom house/IATA agent and as per terms and conditions agreed with the customers/agents.

- e) Retirement benefits :

Contributions towards provident fund made as per rules is charged to revenue. Contributions towards gratuity and superannuation schemes are based on the premium contributions called for by the Life Insurance Corporation of India (LIC) with whom the Company has entered into an agreement. Any shortfall/excess based on independent actuarial valuation is accounted for in the relevant period. Per the terms of its scheme with LIC, LIC settles the claim for the full value of the gratuity paid by the Company to its employees, as and when such a payment is made. Leave encashment liability is accounted for as per the applicable rules of the Company.

- f) Deferred taxation :

Deferred taxation liabilities are provided in respect of taxable temporary differences, calculated at current statutory Income-tax rate.

2. Contingent liability not provided for :

Claim against the Company not acknowledged as debt - Rs. 25,000/- (31.12.2000 - NIL)

3. The overdraft facility is secured by way of first charge on fixed assets and by hypothecation of current assets of the Company.

4. The Company's Gratuity Scheme is administered by Life Insurance Corporation of India (LIC). The Company has made premium contributions towards the Gratuity Scheme as called for by LIC. During the period the Company has obtained actuarial valuation of the present value of Gratuity Service liability from an independent actuary so as to ascertain whether funds available with LIC are sufficient to meet the present value of Gratuity Service Liability. As per the independent actuary's report, the present fund size available with LIC, as compared to present value of Gratuity Service liability is short by Rs. 4,79,068/-. The Company has provided the same fully.



Hindustan Cargo
L i m i t e d

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST OCTOBER, 2001 AND THE PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED ON THAT DATE**

	Period ended 31st October, 2001 Rs.	Year ended 31st December, 2000 Rs.
SCHEDULE "N" (contd)		
5. The deferred tax liability comprises of tax effect of timing differences on account of :		
1) Fixed assets excess net block over written down value as per the provisions of the Income-tax Act, 1961	3,80,914	2,74,687
2) Provision for doubtful debts	(2,82,084)	(1,99,430)
	<u>98,830</u>	<u>75,257</u>
6. Miscellaneous expenses include clearance expenses amounting to Rs. 55,77,304/- (31/12/2000 - Rs. 37,40,390/-)		
7. Managerial remuneration under section 198 of the Companies Act, 1956 to the Managing Director (excluding gratuity contributed on a global basis)		
Salaries	3,21,080	2,26,600
House perquisites	1,42,500	83,600
Contribution to provident and other funds	86,692	62,832
Perquisites in cash and in kind	3,86,849	3,55,235
	<u>9,37,121</u>	<u>7,28,267</u>
Directors' fees	35,000	9,000
Computation of net profits in accordance with section 198 read with section 309 (5) of the Companies Act, 1956		
Net profit as per profit and loss account	32,84,397	62,58,427
Add :		
Provision for taxation	23,00,000	37,50,000
Remuneration to the Managing Director	9,37,121	7,28,267
Directors' fees	35,000	9,000
Depreciation per accounts	7,01,640	6,52,553
Loss on fixed assets sold/scrapped per accounts	—	47,178
Net profit on fixed assets sold as per section 350	4,250	59,281
	<u>72,62,408</u>	<u>1,15,04,706</u>
Less :		
Depreciation as per section 350	5,23,966	4,54,779
Profit on fixed assets sold as per accounts	4,247	60,761
Net loss on fixed assets sold as per section 350	—	59,933
	<u>5,28,213</u>	<u>5,75,473</u>
Net profit	<u>67,34,195</u>	<u>1,09,29,233</u>
Maximum remuneration payable at the rate of 5 percent of the net profits as per section 309 of the Companies Act, 1956	3,36,710	5,46,462
Remuneration per section 198*	8,50,429	6,65,435#
* Minimum remuneration as approved by the Shareholders of the company which is within the limits prescribed in Schedule XIII of the Companies Act, 1956		
# Minimum remuneration per the terms of appointment and in terms of the Central Government approval obtained vide Ref. No. 2/77/98-CL.VII dated 27/11/1998		
8. Expenditure in foreign currency : Subscription/Travel	3,65,858	2,76,833
9. Earnings in foreign currency : Commission on export shipment	10,80,369	9,56,601



Hindustan Cargo
L i m i t e d

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST OCTOBER, 2001 AND THE PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED ON THAT DATE**

SCHEDULE "N" (contd.)

10. The balance sheet abstract and Company's general business profile as required by Part IV to Schedule VI to the Companies Act, 1956 are given below :

I. Registration Details

Registration No.

1	1	-	7	5	4	8	0
---	---	---	---	---	---	---	---

State Code

1	1
---	---

Balance Sheet Date

3	1
---	---

1	0
---	---

2	0	0	1
---	---	---	---

Date Month Year

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue

-	-	-	N	I	L	-	-	-
---	---	---	---	---	---	---	---	---

Rights Issue

-	-	-	N	I	L	-	-	-
---	---	---	---	---	---	---	---	---

Bonus Issue

-	-	-	N	I	L	-	-	-
---	---	---	---	---	---	---	---	---

Private Placement

-	-	-	N	I	L	-	-	-
---	---	---	---	---	---	---	---	---

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities*

-	-	-	-	3	1	7	6	7
---	---	---	---	---	---	---	---	---

* includes current liabilities

Total Assets**

-	-	-	-	3	1	7	6	7
---	---	---	---	---	---	---	---	---

** includes current assets

Sources of Funds

Paid-up Capital

-	-	-	-	-	2	5	0	0
---	---	---	---	---	---	---	---	---

Secured Loans

-	-	-	N	I	L	-	-	-
---	---	---	---	---	---	---	---	---

Reserves & Surplus

-	-	-	-	-	9	7	5	8
---	---	---	---	---	---	---	---	---

Unsecured Loans

-	-	-	-	-	3	0	5	9
---	---	---	---	---	---	---	---	---

Application of Funds

Net Fixed Assets

-	-	-	-	-	4	3	7	9
---	---	---	---	---	---	---	---	---

Net Current Assets

-	-	-	-	1	0	9	3	8
---	---	---	---	---	---	---	---	---

Accumulated Losses

-	-	-	N	I	L	-	-	-
---	---	---	---	---	---	---	---	---

Investments

-	-	-	N	I	L	-	-	-
---	---	---	---	---	---	---	---	---

Miscellaneous Expenditure

-	-	-	N	I	L	-	-	-
---	---	---	---	---	---	---	---	---



Hindustan Cargo
L i m i t e d

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST OCTOBER, 2001 AND THE PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED ON THAT DATE**

SCHEDULE "N" (contd.)

IV. Performance of Company (Amount in Rs. Thousands)

Turnover	Total Expenditure
- - - - 3 0 7 3 7	- - - - 2 5 1 2 9
Profit / Loss before tax	Profit / Loss after tax
+ - - - - 5 6 0 8	+ - - - - 3 2 8 4
(+ for Profit, — for Loss)	
Earning per share in Rs.	Dividend @ %
- - 1 3 . 1 3	1 2 0

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)	N O T A P P L I C A B L E
Product Description	C L E A R I N G & F O R W A R D I N G S E R V I C E S I N A I R & S E A E X P O R T , I M P O R T , C O N S O L I D A T I O N A N D B R E A K B U L K S E R V I C E
Item Code No. (ITC Code)	- - - - - - - - - - - - - - -
Product Description	- -
Item Code No. (ITC Code)	- - - - - - - - - - - - - - -
Product Description	- -

11. Current financial period is for ten months. As such the figures are not comparable with those of the previous year.

12. Previous years figures have been regrouped/reclassified wherever necessary.

Mumbai
Dated : 4th December, 2001

For and on behalf of the Board of Directors
Signatures to Schedules "A" to "N"
P. P. MADHAVJI — CHAIRMAN
P. ASNANI — MANAGING DIRECTOR
A. M. KAKKAR — DIRECTOR
M. MENON — DIRECTOR



India Alive Tours L i m i t e d

DIRECTORS' REPORT

TO THE MEMBERS:

Your Directors have pleasure in presenting the Thirteenth Annual Report and the Balance Sheet and Profit & Loss Account for the 10 months period ended 31st October, 2001.

OPERATIONS:

The Company changed its financial year in line with its Holding Company i.e. Thomas Cook (India) Limited, so as to close on 31st October, every year. There were no business activities carried on throughout the 10 months period ended on 31st October, 2001.

FINANCIAL RESULTS:

During the period under review, the Company did not carry on any business activities and accordingly no income was generated.

DIVIDEND:

In view of no business activities, your Directors do not propose to recommend any dividend for the period under review.

CHANGE OF STATUS:

Your Company became a Simplicitor Public Company pursuant to the Companies (Amendment) Act, 2000 and the same has been duly approved by the Registrar of Companies, Mumbai with effect from 6th July, 2001.

FIXED DEPOSITS:

The company has not accepted any deposit from the public during the period under review.

DIRECTORS:

In accordance with Article 131 of the Articles of Association of the Company, Mr. Madhavji retires by rotation and being eligible, offers himself for reappointment.

Mr. P. Sreekumar was appointed as an Additional Director on the Board under Article 117 of the Articles of Association of the Company on 16th August, 2001. He will hold office only up to the date of this Annual General Meeting by virtue of Section 260 of the Companies Act, 1956. Notice in writing under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Mr. Sreekumar as a candidate for the office of Director, liable to retire by rotation.

AUDITORS:

M/s. Lovelock & Lewes, Chartered Accountants, Auditors of the Company will retire at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND EXPENDITURE:

During the period under review, there was no business carried on by the Company and accordingly information u/s 217(1)(e) of the Companies Act, 1956 is Nil.

INFORMATION PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956:

No employees were employed throughout the period under review. Therefore, the particulars required under Section 217(2A) of the Companies Act, 1956 and the rules framed thereunder are not furnished herewith.

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm that:

- In the preparation of the annual accounts, the applicable accounting standards were followed along with proper explanation relating to material departures;
- The accounting policies were selected and applied consistently and judgements and estimates were made which were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the period under review and of the profit or loss of the company for that period;
- Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities were taken;
- The annual accounts were prepared on a going concern basis.

BY ORDER OF THE BOARD
P. P. MADHAVJI A. KAKKAR
CHAIRMAN DIRECTOR

Mumbai
Date: 4th December, 2001

AUDITORS' REPORT

To the Members of India Alive Tours Limited

- We have audited the attached balance sheet of India Alive Tours Limited as at 31st October, 2001 and the annexed profit and loss account for the period of ten months ended on that date, which are in agreement with the books of account.
- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
- As the Company was not engaged in any activity during the year, the compliance with the accounting standards specified by the Institute of Chartered Accountants of India, referred to in Section 211(3C) of the Companies Act, 1956 is not applicable.
- On the basis of the confirmation received from the directors and taken on record by the board of Directors, none of the Directors of the company is disqualified from being appointed as directors, as referred to in Section 274(1)(g) of the Companies Act, 1956.
- In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
 - in the case of the balance sheet, of the state of affairs of the company as at 31st October, 2001;
 - and
 - in the case of the profit and loss account, of the nil profit/loss for the period of ten months ended on that date.
- No report has been made under the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956 of India, as the Company was not engaged in any of the activities mentioned in paragraph 1(2)(a) of the said Order, during the period of ten months ended 31st October, 2001.

Mumbai
Date: 4th December, 2001

For Lovelock & Lewes
Chartered Accountants
SANJAY HEGDE
Partner

BALANCE SHEET AS AT 31ST OCTOBER, 2001

	As at 31st October, 2001 Rs.	As at 31st December, 2000 Rs.
I. SOURCES OF FUNDS :		
SHAREHOLDERS' FUNDS :		
Share capital :		
Authorised :		
5,00,000 Equity shares of Rs.10/- each	50,00,000	50,00,000
Issued and subscribed :		
9 (Previous year 3) Equity shares of Rs.10/- each fully paid-up, all held by the holding company, Thomas Cook (India) Limited and its nominees	90	30
TOTAL :	90	30
II. APPLICATION OF FUNDS :		
CURRENT ASSETS, LOANS AND ADVANCES :		
Current assets :		
Cash and bank balances		
Cash on hand	30	30
LESS : CURRENT LIABILITIES AND PROVISIONS :		
Current Liabilities :		
Sundry Creditors	55,545	—
NET CURRENT ASSETS	(55,515)	30
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)		
Preliminary Expenses	55,605	—
TOTAL :	90	30

The balance sheet abstract and Company's general business profile as required by Part IV to Schedule VI to the Companies Act, 1956 are given in the annexure.

This is the balance sheet referred to in our report of even date

For Lovelock & Lewes Chartered Accountants For and on behalf of the Board of Directors
P. P. MADHAVJI — CHAIRMAN
A. M. KAKKAR — DIRECTOR

SANJAY HEGDE

Partner

Mumbai

Dated : 4th December, 2001

Mumbai

Dated : 4th December, 2001

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST OCTOBER, 2001

	Period ended 31st October, 2001 Rs.	Year ended 31st December, 2000 Rs.
INCOME	NIL	NIL
EXPENDITURE	NIL	NIL

The balance sheet abstract and Company's general business profile as required by Part IV to Schedule VI to the Companies Act, 1956 are given in the annexure.

This is the Profit and Loss Account referred to in our report of even date

For Lovelock & Lewes Chartered Accountants For and on behalf of the Board of Directors
P. P. MADHAVJI — CHAIRMAN
A. M. KAKKAR — DIRECTOR

SANJAY HEGDE

Partner

Mumbai

Dated : 4th December, 2001

Mumbai

Dated : 4th December, 2001

Annexure referred to in the balance sheet as at 31st October, 2001 and the profit and loss account for the period ended on that date BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(During the financial year as there were no business activities, the details to the extent applicable are furnished)

I. Registration Details

Registration No.	1	1	-	5	4	7	6	0	State Code	1	1
Balance Sheet Date	3	1		1	0		2	0	0	1	
	Date			Month					Year		

II. Position of Mobilisation and Deployment of Funds (Amount in Rs.)

Total Liabilities *	-	-	-	5	5	6	3	5	Total Assets #	-	-	-	5	5	6	3	5
* includes current liabilities									# includes current assets								

Sources of Funds

Paid-up Capital	-	-	-	-	-	-	9	0
-----------------	---	---	---	---	---	---	---	---

Application of Funds

Net Current Assets	-	-	-	(5	5	5	1	5)	Miscellaneous Expenditure	-	-	-	5	5	6	0	5
--------------------	---	---	---	----	---	---	---	----	---------------------------	---	---	---	---	---	---	---	---

Mumbai
Date: 4th December, 2001

For and on behalf of the Board of Directors
P. P. MADHAVJI — CHAIRMAN
A. M. KAKKAR — DIRECTOR



Thomas Cook Tours Limited

DIRECTORS' REPORT

TO THE MEMBERS:

Your Directors have pleasure in presenting the Thirteenth Annual Report and the Balance Sheet and Profit & Loss Account for the 10 months period ended 31st October 2001.

OPERATIONS:

The Company changed its financial year in line with its Holding Company i.e. Thomas Cook (India) Limited, so as to close on 31st October, every year. There were no business activities carried on throughout the 10 months period ended on 31st October 2001.

FINANCIAL RESULTS:

During the period under review, the Company did not carry on any business activities and accordingly no income was generated.

DIVIDEND:

In view of no business activities, your Directors do not propose to recommend any dividend for the period under review.

CHANGE OF STATUS:

Your Company became a Simplicitor Public Company pursuant to the Companies (Amendment) Act, 2000 and the same has been duly approved by the Registrar of Companies, Mumbai with effect from 6th July, 2001.

FIXED DEPOSITS:

The company has not accepted any deposit from the public during the period under review.

DIRECTORS:

In accordance with Article 131 of the Articles of Association of the Company, Mr. Madhavji retires by rotation and being eligible, offers himself for reappointment.

Mr. P. Sreekumar was appointed as an Additional Director on the Board under Article 117 of the Articles of Association of the Company on 16th August, 2001. He will hold office only up to the date of this Annual General Meeting by virtue of Section 260 of the Companies Act, 1956. Notice in writing under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Mr. Sreekumar as a candidate for the office of Director, liable to retire by rotation.

AUDITORS:

M/s. Lovelock & Lewes, Chartered Accountants, Auditors of the Company will retire at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND EXPENDITURE:

During the period under review, there was no business carried on by the Company and accordingly information u/s 217(1)(e) of the Companies Act, 1956 is Nil.

INFORMATION PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956:

No employees were employed throughout the period under review. Therefore, the particulars required under Section 217(2A) of the Companies Act, 1956 and the rules framed thereunder are not furnished herewith.

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm that:

- In the preparation of the annual accounts, the applicable accounting standards were followed along with proper explanation relating to material departures;
- The accounting policies were selected and applied consistently and judgements and estimates were made which were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the period under review and of the profit or loss of the company for that period;
- Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities were taken;
- The annual accounts were prepared on a going concern basis.

Mumbai
Date: 4th December, 2001

BY ORDER OF THE BOARD
P. P. MADHAVJI
CHAIRMAN

A. KAKKAR
DIRECTOR

AUDITORS' REPORT

To the Members of Thomas Cook Tours Limited

- We have audited the attached balance sheet of Thomas Cook Tours Limited as at 31st October, 2001 and the annexed profit and loss account for the period of ten months ended on that date, which are in agreement with the books of account.
- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
- As the Company was not engaged in any activity during the year, the compliance with the accounting standards specified by the Institute of Chartered Accountants of India, referred to in Section 211(3C) of the Companies Act, 1956 is not applicable.
- On the basis of the confirmation received from the directors and taken on record by the board of directors, none of the directors of the company is disqualified from being appointed as directors, as referred to in Section 274(1)(g) of the Companies Act, 1956.
- In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
 - in the case of the balance sheet, of the state of affairs of the company as at 31st October, 2001;
 - and
 - in the case of the profit and loss account, of the nil profit/loss for the period of ten months ended on that date.
- No report has been made under the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956 of India, as the company was not engaged in any of the activities mentioned in paragraph 1(2)(a) of the said Order, during the period of ten months ended 31st October, 2001.

Mumbai
Date: 4th December, 2001

For Lovelock & Lewes
Chartered Accountants
SANJAY HEGDE
Partner

BALANCE SHEET AS AT 31ST OCTOBER, 2001

	As at 31st October, 2001 Rs.	As at 31st December, 2000 Rs.
I. SOURCES OF FUNDS :		
SHAREHOLDERS' FUNDS :		
Share capital :		
Authorised :		
5,00,000 Equity shares of Rs.10/- each	50,00,000	50,00,000
Issued and subscribed :		
9 (Previous year 3) Equity shares of Rs.10/- each fully paid-up, all held by the holding company, Thomas Cook (India) Limited and its nominees	90	30
TOTAL :	90	30
II. APPLICATION OF FUNDS :		
CURRENT ASSETS, LOANS AND ADVANCES :		
Current assets :		
Cash and bank balances		
Cash on hand	30	30
LESS : CURRENT LIABILITIES AND PROVISIONS :		
Current liabilities :		
Sundry creditors	32,575	—
NET CURRENT ASSETS	(32,545)	30
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)		
Preliminary expenses	32,635	—
TOTAL :	90	30

The balance sheet abstract and Company's general business profile as required by Part IV to Schedule VI to the Companies Act, 1956 are given in the annexure.

This is the balance sheet referred to in our report of even date
For Lovelock & Lewes
Chartered Accountants

For and on behalf of the Board of Directors
P. P. MADHAVJI — CHAIRMAN
A. M. KAKKAR — DIRECTOR

SANJAY HEGDE
Partner
Mumbai
Dated : 4th December, 2001

Mumbai
Dated : 4th December, 2001

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST OCTOBER, 2001

	Period ended 31st October, 2001 Rs.	Year ended 31st December, 2000 Rs.
INCOME	NIL	NIL
EXPENDITURE	NIL	NIL

The balance sheet abstract and Company's general business profile as required by Part IV to Schedule VI to the Companies Act, 1956 are given in the annexure.

This is the Profit and Loss Account referred to in our report of even date
For Lovelock & Lewes
Chartered Accountants

For and on behalf of the Board of Directors
P. P. MADHAVJI — CHAIRMAN
A. M. KAKKAR — DIRECTOR

SANJAY HEGDE
Partner
Mumbai
Dated : 4th December, 2001

Mumbai
Dated : 4th December, 2001

Annexure referred to in the balance sheet as at 31st October, 2001 and the profit and loss account for the period ended on that date BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(During the financial year as there were no business activities, the details to the extent applicable are furnished)

I. Registration Details

Registration No. 1 1 - 5 4 7 6 1 State Code 1 1

Balance Sheet Date 3 1 1 0 2 0 0 1

II. Position of Mobilisation and Deployment of Funds (Amount in Rs.)

Total Liabilities * Total Assets #

- - - 3 2 6 6 5 - - - 3 2 6 6 5

* includes current liabilities # includes current assets

Sources of Funds

Paid-up Capital

- - - - - 9 0

Application of Funds

Net Current Assets

- - - (3 2 5 4 5)

Miscellaneous Expenditure

- - - 3 2 6 3 5

Mumbai
Date: 4th December, 2001

For and on behalf of the Board of Directors
P. P. MADHAVJI — CHAIRMAN
A. M. KAKKAR — DIRECTOR



Indian Horizon Travel & Tours L i m i t e d

DIRECTORS' REPORT

TO THE MEMBERS:

Your Directors have pleasure in presenting the Thirteenth Annual Report and the Balance Sheet and Profit & Loss Account for the 10 months period ended 31st October, 2001.

OPERATIONS:

The Company changed its financial year in line with its Holding Company i.e. Thomas Cook (India) Limited, so as to close on 31st October, every year. There were no business activities carried on throughout the 10 months period ended on 31st October, 2001.

FINANCIAL RESULTS:

During the period under review, the Company did not carry on any business activities and accordingly no income was generated.

DIVIDEND:

In view of no business activities, your Directors do not propose to recommend any dividend for the period under review.

CHANGE OF STATUS:

Your Company became a Simplicitor Public Company pursuant to the Companies (Amendment) Act, 2000 and the same has been duly approved by the Registrar of Companies, Mumbai with effect from 6th July, 2001.

FIXED DEPOSITS:

The company has not accepted any deposit from the public during the period under review.

DIRECTORS:

In accordance with Article 131 of the Articles of Association of the Company, Mr. Madhavji retires by rotation and being eligible, offers himself for reappointment.

Mr. P. Sreekumar was appointed as an Additional Director on the Board under Article 117 of the Articles of Association of the Company on 16th August, 2001. He will hold office only up to the date of this Annual General Meeting by virtue of Section 260 of the Companies Act, 1956. Notice in writing under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Mr. Sreekumar as a candidate for the office of Director, liable to retire by rotation.

AUDITORS:

M/s. Lovelock & Lewes, Chartered Accountants, Auditors of the Company will retire at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND EXPENDITURE:

During the period under review, there was no business carried on by the Company and accordingly information u/s 217(1)(e) of the Companies Act, 1956 is Nil.

INFORMATION PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956:

No employees were employed throughout the period under review. Therefore, the particulars required under Section 217(2A) of the Companies Act, 1956 and the rules framed thereunder are not furnished herewith.

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm that:

- In the preparation of the annual accounts, the applicable accounting standards were followed along with proper explanation relating to material departures;
- The accounting policies were selected and applied consistently and judgements and estimates were made which were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the period under review and of the profit or loss of the company for that period;
- Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities were taken;
- The annual accounts were prepared on a going concern basis.

BY ORDER OF THE BOARD

Mumbai
Date: 4th December, 2001

P. P. MADHAVJI
CHAIRMAN

A. KAKKAR
DIRECTOR

AUDITORS' REPORT

To the Members of Indian Horizon Travel & Tours Limited

- We have audited the attached balance sheet of Indian Horizon Travel & Tours Limited as at 31st October, 2001 and the annexed profit and loss account for the period of ten months ended on that date, which are in agreement with the books of account.
- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
- As the Company was not engaged in any activity during the year, the compliance with the accounting standards specified by the Institute of Chartered Accountants of India, referred to in Section 211(3C) of the Companies Act, 1956 is not applicable.
- On the basis of the confirmation received from the directors and taken on record by the board of directors, none of the directors of the company is disqualified from being appointed as directors, as referred to in Section 274(1)(g) of the Companies Act, 1956.
- In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
 - in the case of the balance sheet, of the state of affairs of the company as at 31st October, 2001;
 - and
 - in the case of the profit and loss account, of the nil profit/loss for the period of ten months ended on that date.
- No report has been made under the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956 of India, as the Company was not engaged in any of the activities mentioned in paragraph 1(2)(a) of the said Order, during the period of ten months ended 31st October, 2001.

Mumbai
Date: 4th December, 2001

For Lovelock & Lewes
Chartered Accountants
SANJAY HEGDE
Partner

BALANCE SHEET AS AT 31ST OCTOBER, 2001

	As at 31st October, 2001 Rs.	As at 31st December, 2000 Rs.
I. SOURCES OF FUNDS :		
SHAREHOLDERS' FUNDS :		
Share capital :		
Authorised :		
5,00,000 Equity shares of Rs.10/- each	50,00,000	50,00,000
Issued and subscribed :		
9 (Previous year 3) Equity shares of Rs.10/- each fully paid-up, all held by the holding company, Thomas Cook (India) Limited and its nominees	90	30
TOTAL :	90	30
II. APPLICATION OF FUNDS :		
CURRENT ASSETS, LOANS AND ADVANCES :		
Current assets :		
Cash and bank balances		
Cash on hand	30	30
LESS : CURRENT LIABILITIES AND PROVISIONS :		
Current Liabilities :		
Sundry Creditors	32,740	—
NET CURRENT ASSETS	(32,710)	30
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)		
Preliminary Expenses	32,800	—
TOTAL :	90	30

The balance sheet abstract and Company's general business profile as required by Part IV to Schedule VI to the Companies Act, 1956 are given in the annexure.

This is the balance sheet referred to in our report of even date

For Lovelock & Lewes
Chartered Accountants

For and on behalf of the Board of Directors
P. P. MADHAVJI — CHAIRMAN
A. M. KAKKAR — DIRECTOR

SANJAY HEGDE

Partner

Mumbai

Dated : 4th December, 2001

Mumbai

Dated : 4th December, 2001

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST OCTOBER, 2001

	Period ended 31st October, 2001 Rs.	Year ended 31st December, 2000 Rs.
INCOME	NIL	NIL
EXPENDITURE	NIL	NIL

The balance sheet abstract and Company's general business profile as required by Part IV to Schedule VI to the Companies Act, 1956 are given in the annexure.

This is the Profit and Loss Account referred to in our report of even date

For Lovelock & Lewes
Chartered Accountants

For and on behalf of the Board of Directors
P. P. MADHAVJI — CHAIRMAN
A. M. KAKKAR — DIRECTOR

SANJAY HEGDE

Partner

Mumbai

Dated : 4th December, 2001

Mumbai

Dated : 4th December, 2001

Annexure referred to in the balance sheet as at 31st October, 2001 and the profit and loss account for the period ended on that date BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(During the financial year as there were no business activities, the details to the extent applicable are furnished)

I. Registration Details

Registration No. 1 1 - 5 4 7 6 5 State Code 1 1

Balance Sheet Date 3 1 1 0 2 0 0 1

Date Month Year

II. Position of Mobilisation and Deployment of Funds (Amount in Rs.)

Total Liabilities * Total Assets #

- - - 3 2 8 3 0 - - - 3 2 8 3 0

* includes current liabilities

includes current assets

Sources of Funds

Paid-up Capital

- - - - - 9 0

Application of Funds

Net Current Assets

- - - (3 2 7 1 0)

Miscellaneous Expenditure

- - - 3 2 8 0 0

Mumbai
Date: 4th December, 2001

For and on behalf of the Board of Directors
P. P. MADHAVJI — CHAIRMAN
A. M. KAKKAR — DIRECTOR



TC (Mauritius)
Holding Co. Ltd.

DIRECTORS' REPORT

TO THE MEMBERS

- The directors submit herewith their Annual Report together with the accounts for the period ended 31st October, 2001.
- State of affairs and review of activities
The Profit and Loss Account for the period ended 31st October, 2001 is set out here below. The main activity of the company is holding of investments.
- Dividends
The directors have declared a dividend of USD30,000 for the period ended 31st October, 2001 (2000: USD 37,000).
- Change of financial year end
Following a board resolution dated 2nd October, 2001 the company changed its financial year end from 31st December to 31st October. The accounts present herewith covers the period 1st January, 2001 to 31st October, 2001.
- Auditor
A resolution to re-appoint Messrs J. Raymond Lamusse, F.C.A., F.C.C.A. as auditor of the company will be proposed at the next Annual General Meeting.

BY ORDER OF THE BOARD

Port Louis
Mauritius
Dated : 19th November, 2001

MR. LOUIS EMMANUEL NG CHEONG TIN — DIRECTOR
MR. UDAY KUMAR GUJADHUR — DIRECTOR

AUDITORS' REPORT

TO THE MEMBERS

I have audited the accounts of TC (Mauritius) Holding Co. Ltd. which have been prepared on the basis of the accounting policies described in the notes to the accounts.

Respective responsibilities of directors and auditors

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act, 1984 as applicable under the Mauritius Offshore Business Activities Act, 1992. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is my responsibility to form an independent opinion, based on my audit, on those accounts and to report my opinion to you.

Basis of opinion

I conducted my audit in accordance with International Standards on Auditing. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the accounts. I believe that my audit provides a reasonable basis for my opinion.

Opinion

In my opinion, the accounts give a true and fair view of the state of affairs of the company as at 31st October, 2001 and of its profit and cash flows for the period then ended and have been properly prepared in accordance with the appropriate Accounting Standards and comply with the companies Act, 1984 as applicable under the Mauritius Offshore Business Activities Act, 1992.

Port Louis
Mauritius
Dated : 19th November, 2001

J. RAYMOND LAMUSSE
F.C.A., F.C.C.A.

BALANCE SHEET AS AT 31ST OCTOBER, 2001

	Notes	As at 31st October, 2001 USD	As at 31st December, 2000 USD
ASSETS EMPLOYED			
NON-CURRENT ASSET			
Investment in subsidiary company	2	5,88,697	5,88,697
CURRENT ASSETS			
Accounts receivable	3	35,440	—
Cash at bank		7,107	7,107
		42,547	7,107
CURRENT LIABILITIES			
Accruals		2,352	5,382
Dividends proposed	4	30,000	—
Payable to subsidiary company		8,180	6,860
		40,532	12,242
NET CURRENT ASSETS/(LIABILITIES)		2,015	(5,135)
TOTAL :		5,90,712	5,83,562
FINANCED BY			
CAPITAL AND RESERVES			
Share capital	5	5,90,000	5,90,000
Retained profits/(Revenue deficit)		712	(6,438)
TOTAL :		5,90,712	5,83,562

The notes form an integral part of these accounts.

The accounts were approved by the Board of Directors

J. RAYMOND LAMUSSE
F.C.A., F.C.C.A.

MR. LOUIS EMMANUEL NG CHEONG TIN — DIRECTOR
MR. UDAY KUMAR GUJADHUR — DIRECTOR

Port Louis
Mauritius
Dated : 19th November, 2001

Port Louis
Mauritius
Dated : 19th November, 2001

PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31ST OCTOBER, 2001

	Notes	Period ended 31st October, 2001 USD	Year ended 31st December, 2000 USD
INCOME			
Dividend income	1(c)	35,000	42,888
EXPENDITURE			
Professional fees		4,710	8,860
Other expenses		—	6
Bank charges		—	84
		4,710	8,950
Operating profit	6	30,290	33,938
Other income		6,860	22,160
Profit before dividends		37,150	56,098
Dividends	4	30,000	37,000
Profit retained for the period	TOTAL :	7,150	19,098
Earnings per share (cents)	7	6	10

The notes form an integral part of these accounts.

The accounts were approved by the Board of Directors

J. RAYMOND LAMUSSE
F.C.A., F.C.C.A.

MR. LOUIS EMMANUEL NG CHEONG TIN — DIRECTOR
MR. UDAY KUMAR GUJADHUR — DIRECTOR

Port Louis
Mauritius
Dated : 19th November, 2001

Port Louis
Mauritius
Dated : 19th November, 2001



TC (Mauritius)
Holding Co. Ltd.

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31ST OCTOBER, 2001

Notes	Share Capital	Retained profit/ (Revenue deficit)	Total
	USD	USD	USD
Balance as at 1st January, 2000	1,000	(25,536)	(24,536)
Issue of shares	5,89,000	—	5,89,000
Profit before dividend	—	56,098	56,098
Dividends paid	4	(37,000)	(37,000)
Balance as at 31st December, 2000	5,90,000	(6,438)	5,83,562
Balance as at 1st January, 2001	5,90,000	(6,438)	5,83,562
Profit before dividend	—	37,150	37,150
Dividend proposed	4	(30,000)	(30,000)
Balance as at 31st October, 2001	5,90,000	712	5,90,712

The notes form an integral part of these accounts.

CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31ST OCTOBER, 2001

Notes	2001 USD	2000 USD
Operating activities		
Profit before dividend	37,150	56,098
Adjustments for:		
Shareholders loan foregone	—	(22,160)
Dividend receivable	(35,000)	(42,888)
Operating profit/(loss) before working capital changes	2,150	(8,950)
(Increase)/Decrease in accounts receivable	(440)	2
(Decrease)/Increase in accruals	(3,030)	2,000
Increase in amount payable to subsidiary	1,320	6,860
Cash absorbed by operations	—	(88)
Investing activities		
Dividend received	—	42,888
Purchase of investments	—	(5,88,697)
Net cash used in investing activities	—	(5,45,809)
Financing activities		
Issue of shares	—	5,89,000
Dividend paid	—	(37,000)
Loan from shareholders	—	1,000
Net cash from financing activities	—	5,53,000
Increase in cash and cash equivalents	TOTAL : —	7,103
Movement in cash and cash equivalents		
As at 1st January, 2001	7,107	4
Increase	—	7,103
As at 31st October, 2001	9 TOTAL : 7,107	7,107

The notes form an integral part of these accounts.

NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31ST OCTOBER, 2001

- ACCOUNTING POLICIES
The principal accounting policies adopted by the company are as follows:
(a) Basis of accounting
The accounts are prepared under the historical cost convention and in accordance with applicable International Accounting Standards.
(b) Foreign currency translation
Transactions in foreign currencies are translated into United States Dollars at the exchange rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into United States Dollars at the rate of exchange ruling at balance sheet date. Exchange differences are recorded in the income statement.
(c) Revenue recognition
Revenue consists mainly of income of dividend income which is accounted for when the shareholders' right to receive payment is established.
- INVESTMENTS IN SUBSIDIARY COMPANY

	2001 USD	2000 USD
UNQUOTED		
Opening	5,88,697	—
Additions during the period	—	5,88,697
Closing	5,88,697	5,88,697
Directors valuation	5,88,697	5,88,697

The directors have valued the unquoted investments on the basis of the net worth of the company.
Details of the subsidiary company is as follows :

	Country of Incorporation	Class of shares held	Nominal value of investment	% holding 2001&2000
TC (Mauritius) Operations Co Ltd	Mauritius	Ordinary	Rs. 100/-	100%

The company does not prepare group accounts as it is a wholly owned subsidiary of Thomas Cook (India) Limited.
- ACCOUNTS RECEIVABLE

	2001 USD	2000 USD
Dividend receivable	35,000	—
Other receivables	440	—
	35,440	—
- DIVIDENDS
Ordinary dividend of 5% payable (2000: 6.2% paid)

	2001 USD	2000 USD
	30,000	37,000
- SHARE CAPITAL
Authorised:
Ordinary shares of USD 1 each

	2001 USD	2000 USD
	10,00,000	10,00,000

Issued and fully paid:
Ordinary shares of USD 1 each

	2001 USD	2000 USD
	5,90,000	5,90,000
- OPERATING PROFIT
Operating profit is arrived at after charging:
Auditors' remuneration 664 2,000
Staff costs (note 6(a)) — —
(a) The number of employees at the end of the year was: — —
- EARNINGS PER SHARE
Earnings per share (cents)
Based on :
(a) Profit before dividends 37,150 56,098
(b) Number of ordinary shares in issue 5,90,000 5,59,340
- TAXATION
The company has been established as an "Offshore Company" for the purpose of the Mauritius Offshore Business Activities Act, 1992. The profit of the company is subject to income-tax at 0% unless it elects to pay tax at specified rates not exceeding 25%.
- CASH AND CASH EQUIVALENTS
Cash at bank 7,107 7,107
- FIVE YEAR FINANCIAL SUMMARY

	2001 USD	2000 USD	1999 USD	1998 USD	1997 USD
Share capital	5,90,000	5,90,000	1,000	1,000	1,000
Profit/(Loss) for the year	37,150	56,098	(4,554)	(4,528)	(4,752)
Retained profits/ (revenue deficit)	712	(6,438)	(25,536)	(20,982)	(16,454)
Dividends	30,000	37,000	—	—	—
- REPORTING CURRENCY
The financial statements have been prepared in US Dollars which is considered to be the company's principal trading currency.
- ULTIMATE HOLDING COMPANY
The ultimate holding company is Thomas Cook (India) Limited.

Port Louis
Mauritius
Dated : 19th November, 2001

MR. LOUIS EMMANUEL NG CHEONG TIN — DIRECTOR
MR. UDAY KUMAR GUJADHUR — DIRECTOR



TC (Mauritius)
Operations Co. Ltd.

DIRECTORS' REPORT

TO THE MEMBERS

1. The Directors submit herewith their Annual Report to the Members together with the accounts for the period ended 31st October, 2001.

2. State of affairs and review of activities

The profit and loss account for the period is set out here below.

The main activity of the company is to deal in foreign exchange.

3. Dividends

The directors have declared and paid a dividend of MRU 10,63,650 for the period ended 31st October, 2001. (2000: MRU 12,00,000).

4. Change of financial year end

Following a board resolution dated 3rd October, 2001, the Company changed its financial year end from 31st December to 31st October. The accounts present herewith covers the period from 1st January, 2001 to 31st October, 2001.

5. Auditors

A resolution will be passed at the Annual General Meeting for the re-appointment of Mr J. Raymond Lamusse F.C.A, F.C.C.A as auditor of the company.

BY ORDER OF THE BOARD

Port Louis
Mauritius
Dated : 19th November, 2001

MR. CHRISTIAN ANGSEESING
EXECUTIVE SERVICES LIMITED

AUDITORS' REPORT

TO THE MEMBERS

I have audited the accounts of TC (Mauritius) Operations Co. Ltd. which have been prepared on the basis of the accounting policies described in the notes to the accounts.

Respective responsibilities of directors and auditors

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act, 1984. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is my responsibility to form an independent opinion, based on my audit, on those accounts and to report my opinion to you.

Basis of opinion

I conducted my audit in accordance with Mauritius Guidelines and International Standards on Auditing. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the accounts are free from material misstatements. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the accounts. I believe that the audit provides a reasonable basis for my opinion.

Opinion

In my opinion, the accounts give a true and fair view of the state of affairs of the company as at 31st October, 2001 and of its profit and cash flows for the period then ended and have been properly prepared in accordance with the appropriate Accounting Standards and comply with the Companies Act, 1984.

Port Louis
Mauritius
Dated : 19th November, 2001

J. RAYMOND LAMUSSE
F.C.A., F.C.C.A.

BALANCE SHEET AS AT 31ST OCTOBER, 2001

	Notes	As at 31st October, 2001 MRU	As at 31st December, 2000 MRU
ASSETS EMPLOYED			
NON-CURRENT ASSET			
Plant and equipment	2	21,65,412	14,72,081
CURRENT ASSETS			
Trade and other receivables	3	10,09,056	11,40,564
Bank and cash balances - foreign currency		7,31,546	57,57,480
- local currency		1,38,96,734	79,43,668
		1,56,37,336	1,48,41,712
CURRENT LIABILITIES			
Trade and other payables	4	21,76,475	3,30,000
Income-tax	5	2,02,215	4,64,442
		23,78,690	7,94,442
NET CURRENT ASSETS			
		1,32,58,646	1,40,47,270
TOTAL :		1,54,24,058	1,55,19,351
FINANCED BY			
CAPITAL AND RESERVES			
Share capital	6	1,50,00,000	1,50,00,000
Retained profits		3,17,403	4,70,900
		1,53,17,403	1,54,70,900
NON-CURRENT LIABILITIES			
Deferred tax liabilities	7	65,355	48,451
Retirement and other benefit obligations	8	41,300	—
		1,06,655	48,451
TOTAL :		1,54,24,058	1,55,19,351

The notes form an integral part of these accounts.

The accounts were approved by the Board of Directors

J. RAYMOND LAMUSSE
F.C.A., F.C.C.A.

MR. LOUIS EMMANUEL NG CHEONG TIN — DIRECTOR
MR. UDAY KUMAR GUJADHUR — DIRECTOR

Port Louis
Mauritius
Dated : 19th November, 2001

Port Louis
Mauritius
Dated : 19th November, 2001

PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31ST OCTOBER, 2001

	Notes	Period ended 31st October, 2001 MRU	Year ended 31st December, 2000 MRU
Profit on sale of currencies		62,96,034	63,62,613
Other income		3,43,929	4,58,275
		66,39,963	68,20,888
Administrative and other expenses			
Staff costs	9(a)	19,19,530	15,01,491
Depreciation		4,09,191	1,70,208
Other expenses		32,69,778	29,68,529
		55,98,499	46,40,228
Operating profit	9	10,41,464	21,80,660
Finance revenue	10	87,808	3,133
Profit before taxation		11,29,272	21,83,793
Taxation	5	2,19,119	5,12,893
Profit after taxation		9,10,153	16,70,900
Earnings per share	11	6.07	11.58

The notes form an integral part of these accounts.

The accounts were approved by the Board of Directors

J. RAYMOND LAMUSSE
F.C.A., F.C.C.A.

MR. LOUIS EMMANUEL NG CHEONG TIN — DIRECTOR
MR. UDAY KUMAR GUJADHUR — DIRECTOR

Port Louis
Mauritius
Dated : 19th November, 2001

Port Louis
Mauritius
Dated : 19th November, 2001



T C (Mauritius)
Operations Co. Ltd.

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31ST OCTOBER, 2001

	Notes	Share capital MRU	Retained profits MRU	Total MRU
Issue of shares		1,50,00,000	—	1,50,00,000
Profit after taxation		—	16,70,900	16,70,900
Dividends	12	—	(12,00,000)	(12,00,000)
Balance as at 31st December, 2000	Rs.	1,50,00,000	4,70,900	1,54,70,900
Balance as at 1st January, 2001		1,50,00,000	4,70,900	1,54,70,900
Profit after taxation		—	9,10,153	9,10,153
Dividends	12	—	(10,63,650)	(10,63,650)
Balance as at 31st October, 2001	Rs.	1,50,00,000	3,17,403	1,53,17,403

The notes form an integral part of these accounts.

CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31ST OCTOBER, 2001

	Notes	2001 MRU	2000 MRU
Cash generated from operations			
Reconciliation of profit before taxation to cash generated from operations:			
Profit before taxation		11,29,272	21,83,793
Adjustments for:			
— Depreciation		4,09,191	1,70,208
— Interest receivable		(87,808)	(3,133)
— Provision for retirement and other benefit obligations		41,300	—
Changes in working capital (excluding the effects of acquisition and disposal) :			
— trade and other receivables		1,31,508	(11,40,564)
— trade and other payables		18,46,475	3,30,000
Cash generated from operations		34,69,938	15,40,304
Income tax paid		(4,64,442)	—
Interest received		87,808	3,133
Net cash from operating activities		30,93,304	15,43,437
Investing activity			
Purchase of plant and equipment		(11,02,522)	(16,42,289)
Net cash used in investing activity		(11,02,522)	(16,42,289)
Financing activities			
Issue of ordinary shares		—	1,50,00,000
Dividends paid		(10,63,650)	(12,00,000)
Net cash (used in)/from financing activities		(10,63,650)	1,38,00,000
Increase in cash and cash equivalents		9,27,132	1,37,01,148
Movement in cash and cash equivalents			
Opening		1,37,01,148	—
Increase		9,27,132	1,37,01,148
Closing	13	1,46,28,280	1,37,01,148

The notes form an integral part of these accounts.

NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31ST OCTOBER, 2001

1. ACCOUNTING POLICIES	
The principal accounting policies adopted in the preparation of these accounts are set out below:	
(a) Basis of preparation	The accounts are prepared under the historical cost convention and in accordance with and comply with Mauritius Accounting Standards.
(b) Plant and equipment	Plant and equipment is stated at historical cost less depreciation. Depreciation is calculated on the Straight Line Method to write off the cost of each asset to their residual values over their estimated useful life. The principal annual rates used are as follows :
Office equipment	33%
Furniture & fittings	15%
Motor vehicles	20%

NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31ST OCTOBER, 2001

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

- (c) Revenue recognition
Revenue from services are recognised when the services had been performed and are billable. Profit on operations represents the margin charged on foreign exchange deals.
- (d) Foreign currency translation
Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction.
Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the balance sheet date and any exchange differences arising are taken to the profit and loss account.
- (e) Deferred taxation
Deferred taxation liabilities are provided in respect of taxable temporary differences, calculated at current statutory income tax rate.
- (f) Retirement benefit plans
Severance allowance on retirement
For employees who are not covered by pension plans, the net present value of severance allowances payable under the Labour Act is calculated and provided for. The obligations arising under this item are not funded.

2. PLANT AND EQUIPMENT	Office Equipment MRU	Furniture & Fittings MRU	Motor Vehicles MRU	Total MRU
COST				
As at 1st January , 2001	5,75,319	2,60,540	8,06,430	16,42,289
Additions during the period	95,850	10,06,672	—	11,02,522
As at 31st October, 2001	6,71,169	12,67,212	8,06,430	27,44,811
DEPRECIATION				
As at 1st January, 2001	62,374	25,997	81,837	1,70,208
Charge for the period	1,55,162	1,33,263	1,20,766	4,09,191
As at 31st October, 2001	2,17,536	1,59,260	2,02,603	5,79,399
NET BOOK VALUES				
As at 31st October, 2001	4,53,633	11,07,952	6,03,827	21,65,412
As at 31st December, 2000	5,12,945	2,34,543	7,24,593	14,72,081
3. TRADE AND OTHER RECEIVABLES			2001 MRU	2000 MRU
Prepayments			7,54,455	9,53,870
Receivable from holding company			2,54,601	1,86,694
			10,09,056	11,40,564
4. TRADE AND OTHER PAYABLES				
Accrued expenses			4,69,601	3,30,000
Amount payable to ultimate holding company			17,06,874	—
			21,76,475	3,30,000
5. INCOME TAX				
Current tax on the adjusted profit for the period at 25%			2,02,215	4,64,442
Deferred tax movement (note 7)			16,904	48,451
			2,19,119	5,12,893

The tax on the company's profit before tax differs from theoretical amount that would arise using the basic tax rate of the company as follows:		
Profit before taxation	11,29,272	21,83,793
Tax calculated at a rate of 25%	2,82,318	5,45,948
Expenses not deductible for tax purposes	5,709	19,186
Investment relief	(68,908)	(52,241)
	2,19,119	5,12,893



T C (Mauritius)
Operations Co. Ltd.

NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31ST OCTOBER, 2001

NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31ST OCTOBER, 2001

	2001 MRU	2000 MRU			
6. SHARE CAPITAL			12. DIVIDENDS		
Authorised, Issued and fully paid			Ordinary dividend paid — 7% (2000:8%)	10,63,650	12,00,000
Ordinary shares of MRU 100/- each	1,50,00,000	1,50,00,000			
			13. CASH AND CASH EQUIVALENTS		
7. DEFERRED TAX LIABILITIES			Bank and cash balances — local currency	1,38,96,734	79,43,668
As at 1st January, 2001	48,451	—	— foreign currency	7,31,546	57,57,480
Add : Deferred income tax liabilities	27,229	48,451		1,46,28,280	1,37,01,148
	75,680	48,451	14. FINANCIAL SUMMARY		
Less : Deferred income tax assets			Share Capital	1,50,00,000	1,50,00,000
charged for the period (note 5)	10,325	—	Profit before taxation	11,29,272	21,83,793
Net deferred income tax liabilities	65,355	48,451	Profit after taxation	9,10,153	16,70,900
			Dividends paid	10,63,650	12,00,000
8. RETIREMENT AND OTHER BENEFIT OBLIGATION			Retained profits	3,17,403	4,70,900
Post retirement benefits compose of severance					
allowances payable under the Labour Act			15. ULTIMATE HOLDING COMPANY		
(i) Amount recognised in the			The ultimate holding company of TC (Mauritius) Operations Co Ltd is Thomas Cook		
Balance Sheet are as follows:			(India) Limited incorporated in India.		
Past Service costs	41,300	—	16. OTHER EXPENSES		
(ii) Amount recognised in the			Staff Welfare	75,863	2,50,005
Profit and Loss Account are as follows:			Staff Training	—	84,215
Total expense included in staff costs	41,300	—	Telephones	2,66,192	2,43,877
			Postage	622	—
9. OPERATING PROFIT			Courier	12,568	6,837
Operating profit is arrived after charging:			Rent	11,00,000	6,00,000
Auditors' remuneration	1,80,000	1,40,000	General maintenance	49,923	8,515
Directors emoluments	—	—	Electricity	55,574	3,971
(a) Staff costs :			Conveyance	4,05,015	4,92,778
Salaries	15,69,569	12,63,769	Travel	41,866	—
Other costs	3,49,961	2,37,722	Motor vehicle running expenses	1,08,272	40,749
	19,19,530	15,01,491	Business promotion	36,104	28,357
(b) The number of employees at the end			Bank charges	13,491	6,793
of the period was:			Licences	75,000	—
Operations	16	17	Insurance	1,21,761	72,980
			Miscellaneous expenses	20,681	78,694
10. FINANCE REVENUE			Shipment charges	1,03,470	—
Interest income	87,808	3,133	Professional fees	3,05,299	9,92,648
			Printing and stationery	70,782	58,110
11. EARNINGS PER SHARE			Security	1,58,715	—
Earnings per share	6.07	11.58	Inaugural expenses	2,28,008	—
Profit after taxation	9,10,153	16,70,900	Computer stationery	20,572	—
				32,69,778	29,68,529
Average number of ordinary					
shares in issue	1,50,000	1,44,247			

Port Louis
Mauritius
Dated : 19th November, 2001

MR. LOUIS EMMANUEL NG CHEONG TIN — DIRECTOR
MR. UDAY KUMAR GUJADHUR — DIRECTOR



Thomas Cook
(India) Limited

TEN FINANCIAL YEARS' PERFORMANCE

	(Rs. in Thousands)									
	1992/93 Rs.	1993 Rs.	1994 Rs.	1995 Rs.	1996 Rs.	1997 Rs.	1998 Rs.	1999 Rs.	2000 Rs.	2001 Rs.
Fixed Assets	67569	86403	117354	124866	267181	352698	429931	447509	450068	449583
Investments	—	—	2500	2500	2500	2500	2500	2500	74373	29774
Net Current Assets	291838	300158	295043	467014	444299	577242	844044	1018406	925157	682674#
Misc. Expenditure	—	—	—	—	—	—	—	25023	12181	4251
Total Application of Funds	359407	386561	414897	594380	713980	932440	1276475	1493438	1461779	1166282
Share Capital	15750	31500	31500	52500	52500	87500	87500	87500	145833	145833
Reserves	145635	173175	261944	323298	430883	497416	621744	753092	772263	768841
Shareholders' Funds	161385	204675	293444	375798	483383	584916	709244	840592	918096	914674
Loan Funds	198022	181886	121453	218582	230597	347524	567231	652846	543683	251608
Total Source of Funds	359407	386561	414897	594380	713980	932440	1276475	1493438	1461779	1166282
		(9 mths.)							(10 mths.)	
Total Income	272420	231566	346389	445721	541850	566906	752372	745575	856612	743947
Total Expenditure	125982	110251	176884	241415	291928	351060	509918	499361	653685	553927
Profit Before Taxation	146438	121315	169505	204306	249922	215846	242454	246214	202927	190020†
Profit available for appropriation (After Tax & Adjustments for prior years, if any)	68938	54315	102944	108604	136460	144846	172454	180348	136505	91201
Retained Earnings for the year	61850	43290	88769	82354	107585	101533	124329	131348	77504	52171
Dividend Paid/Payable	7088	11025	14175	26250	28875	39375	43750	43750	48125	40833
Dividend Tax	—	—	—	—	—	3938	4375	5250	10876	(1803)
Dividend Percentage	45	*35	45	*50	55	*45	50	50	*33	28
* On the increased Capital Base										
Earning per share										
Before exceptional charge	43.8	17.2	32.7	20.7	26.0	16.5	19.7	20.6	9.4	8.2
After exceptional charge										6.3

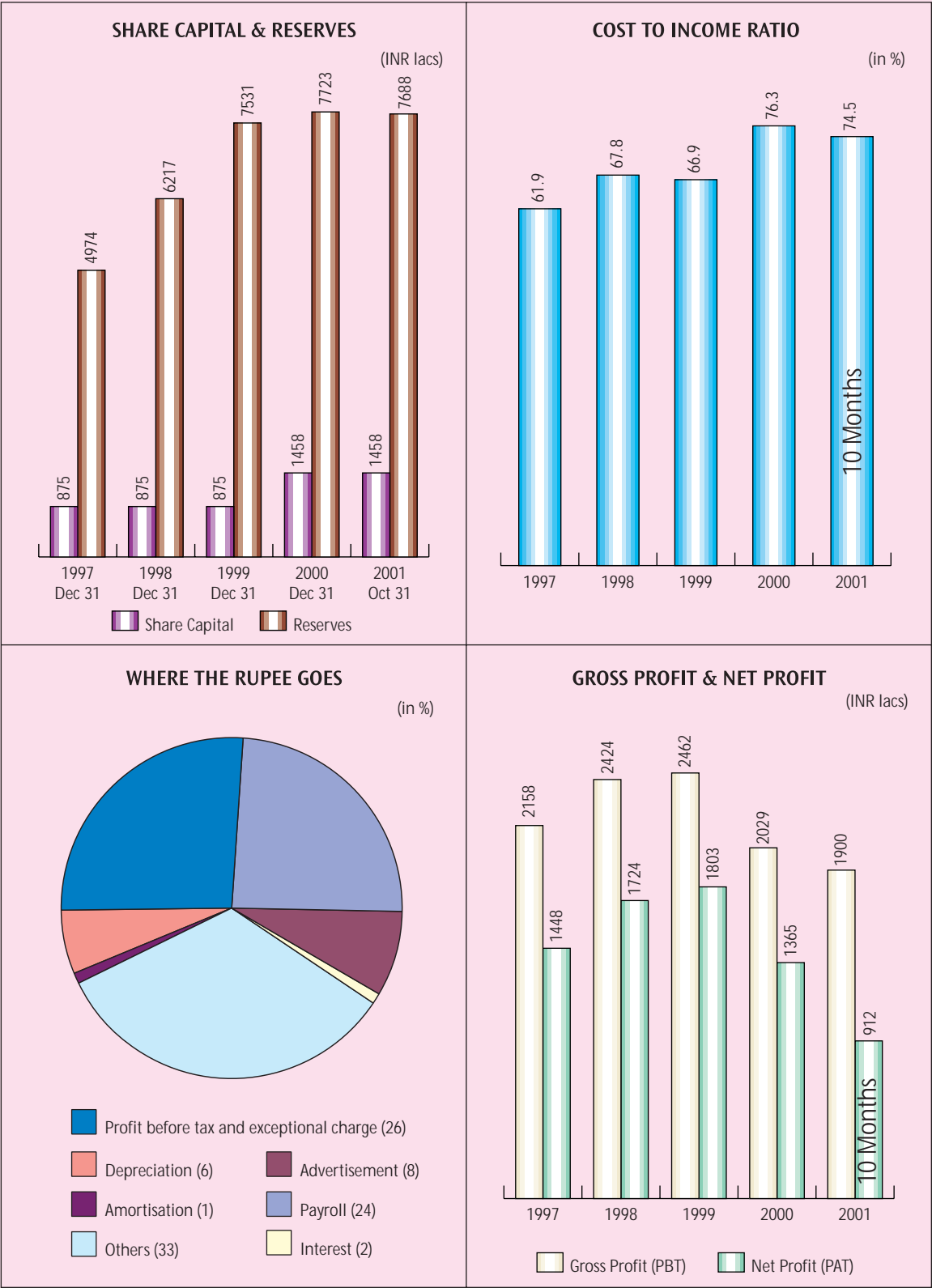
Net of Deferred Tax liability

† Profit before tax and exceptional charge of Rs. 27716

P.S. Shareholders may please address all their correspondence pertaining to Share Transfers, Dividend Warrants, etc., to the Company's Registrar & Share Transfer Agents, viz. Tata Share Registry Limited, Army & Navy Building, 148, Mahatma Gandhi Road, Fort, Mumbai 400 001, rather than addressing it to the Company. This will avoid delay in processing your transfers/letters.



Thomas Cook
(India) Limited

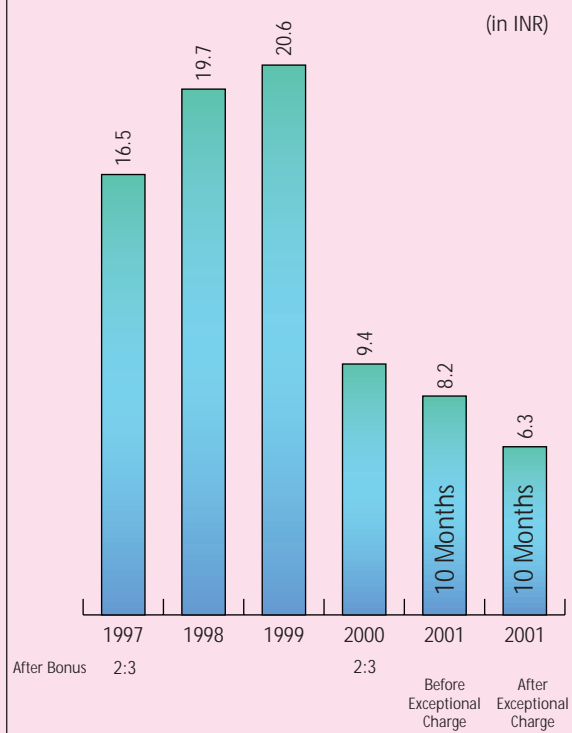




Thomas Cook
(India) Limited

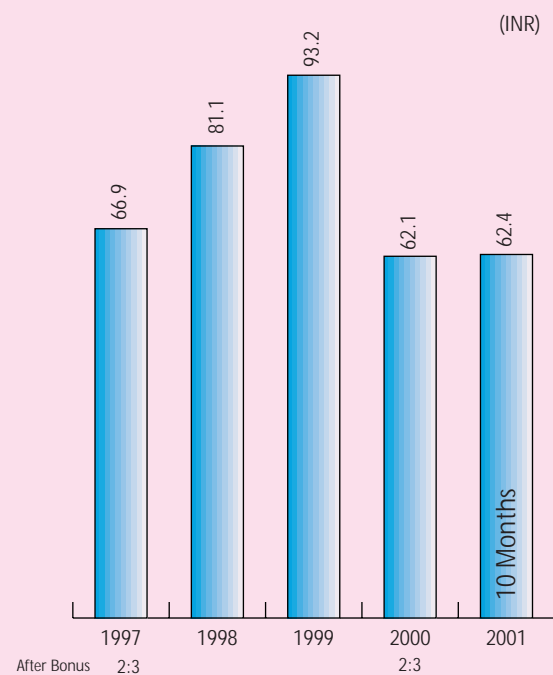
EARNINGS PER SHARE

(in INR)



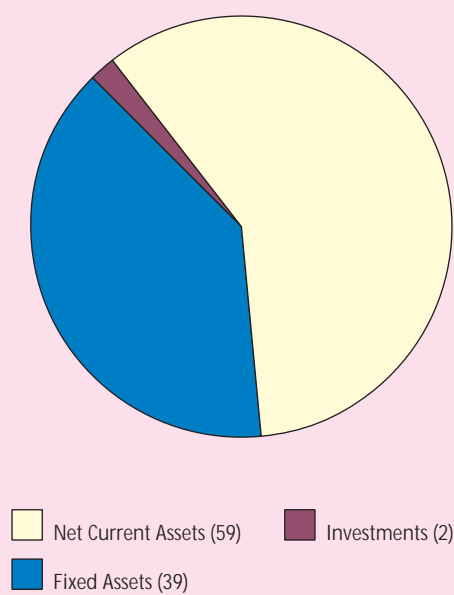
BOOK VALUE PER SHARE

(INR)



ASSETS

(in %)



LIABILITIES

(in %)

