
BOARD OF DIRECTORS

P. P. MADHAVJI
Chairman

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

MADHAVAN MENON
Executive Director – Foreign Exchange

P. SREEKUMAR
Executive Director – Finance

R. SUNDARARAMAN
(till 5-12-2002)

K. S. V. KRISHNAMA CHARI
(w.e.f. 5-12-2002)

M. L. APTE

H. S. BILLIMORIA

K. DIGVIJAY SINGH

STEFAN PICHLER
(w.e.f. 16-01-2003)

ALAN STEWART

IAN AILLES

LESTER PORTER

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.
State Bank of Bikaner & Jaipur
State Bank of India
Standard Chartered Bank

Registered Office
Thomas Cook Building,
Dr. Dadabhai Naoroji Road,
Fort, 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

DIRECTORS' REPORT

TO THE MEMBERS:

Your Directors have pleasure in presenting the Twenty-Sixth Annual Report, together with the Balance Sheet and Profit and Loss Account for the year ended 31st October, 2002.

Operations & Results

The difficulties faced by the industry, during the last year and the consequences of various macroeconomic problems is well known. We are happy to report a successful year with a revenue growth of 36% over the previous period and profit after tax growth of 112%. The proactive and sustained efforts of the Company in managing costs and protecting revenue yielded these results.

Your Company's income was Rs 1008.5 millions compared to Rs 743.9 millions in the previous year. Profits before tax was Rs 301.6 millions and the profit after tax was Rs. 193.2 millions. The earning per share of the Company is Rs. 13.3

compared to Rs. 6.3 for the previous year. On a twelve month comparable basis the net profit after tax of the Company grew 88%.

Dividend

Your Directors are pleased to recommend a dividend of 33 %. The proposed dividend absorbs Rs. 48,125,000/-.

General Reserve

Your Directors have resolved to transfer Rs. 19,323,574/- to General Reserve out of the profits of the Company. In view of the transfers, the total reserves are at Rs. 913,951,880/- as at the year ended 31st October, 2002.

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 have been followed alongwith proper

explanation relating to material departures.

- 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 Directors have prepared the Annual Accounts on a going concern basis.

Rebranding of the Thomas Cook Logo

The new logo for the Company featuring the 'holiday colours' of Thomas Cook AG (Blue, Yellow and White) was rolled out in a phased manner across the country. This process would be completed during the forthcoming financial year.

Thomas Cook (I) Limited (TCIL) Financial Results

	Consolidated figures for the year ended 31 st October, 2002	Consolidated figures for the 10 months ended 31 st October, 2001	Year ended 31 st October, 2002	10 months Jan/Oct (2001)
(Rupees in millions)				
Revenues	1055	775	1009	744
Profit before Exceptional item and Taxation	310	162	301	162
Provision for Taxation	120	71	117	68
Provision for Deferred Taxation	(9)	3	(9)	3
Profit after Taxation	199	88	193	91
Transferred to Reserve U/sec. 80 HHD of the Income Tax Act, 1961	15	18	15	18
Transferred to General Reserve	19	9	19	9
Proposed Dividend	48	41	48	41
EPS (Rs.)	13.6	6.1	13.3	6.3

Thomas Cook Group

Thomas Cook (India) Ltd. is a part of Thomas Cook Group. It is a subsidiary of Thomas Cook Overseas Ltd. (TCOL), an unlisted private company incorporated under the laws of England and Wales having its Registered Office at Peterborough, England, U.K. TCOL holds 60% of the paid-up capital of the Company. It is a wholly owned subsidiary of Thomas Cook UK Ltd. which in turn is a 100% subsidiary of Thomas Cook AG, a company incorporated in Germany. Thomas Cook AG, its subsidiaries and affiliates form the Thomas Cook Group. This information is given pursuant to the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 as amended up to date.

Thomas Cook (India) Ltd.

Operations in Mauritius

It earned a profit before tax of MUR 1,257,232/-. The Company has plans to expand its presence in this market during the current year.

Operations in India

The Company has taken a big leap in charter flights. The in-bound charter flights average 12 a week, mostly to Goa, a few being to Kerala. The Government's approval for long-pending request to start out-bound charter flights is awaited. The in-bound charters to India, at present operated from London and Frankfurt, will be broadbased to include Brussels, Amsterdam and Munich as well.

With opening up of insurance sector in the year 2000, many private sector insurance companies either on their own or along with a foreign joint venture partner have entered into the non-life insurance market.

Your Company was one of the first movers to recognize the potential of Insurance business in India. Thomas Cook Insurance Services (India) Limited, a 100% subsidiary of Thomas Cook (India) Limited, was given the corporate agency license of TATA – AIG General Insurance Company in April 2002. The Company promotes and sells tailor-made niche Insurance Products in Travel Insurance segment from Tata-AIG from February 2002 which was another step forward in the direction of making Thomas Cook “a one stop travel shop.” The Company has fared exceedingly well in terms of sales. In a span of less than 8 months, not only it has managed to break-even but also has surpassed the targets by over 25%. It is also heartening to share with you that this Company is the top corporate selling agent for Tata-AIG in travel insurance segment.

This summer, your Company launched Indian Holidays Group Tours in association with Indian Railways. With the tremendous response for these tours, the Company has made an impression in the Domestic Leisure Travel segment. In continuation of the rail tours, the Company is launching various packages for Himachal, Kumaon, Uttaranchal, Kerala, Rajasthan & Goa from various cities in India like Mumbai, Ahmedabad, Delhi, Bangalore, Chennai & Hyderabad.

Awards

Your Company has been awarded the Golden Peacock Award for Excellence in Corporate Governance. This prestigious Golden Peacock National Award has been initiated by the Institute of Directors (IOD), a non-profit organization, in association with World Environment

Foundation (WEF), Federation of Indian Chamber of Commerce and Industry (FICCI), World Council for Corporate Governance (WCFCG) and Centre for Corporate Governance.

The criteria for the award include transparency, excellence in conducting business at various levels of management, social and environmental responsibility, ethical business practice and consistent creation of value for all the stakeholders.

Thomas Cook was selected as the Runner Up for this internationally recognised award by a panel of judges headed by Justice A M Ahmedi, former Chief Justice Supreme Court of India.

This award provides an added dimension to Thomas Cook (India) Ltd which has also been winning the TTG Best Travel Agency - India award, a part of Pacific Asia Travel Association (PATA) programme, for fourth consecutive year.

Directors

In accordance with Article 131 of the Articles of Association of the Company, Mr. M. L. Apte and Mr. Ian Ailles retire by rotation and being eligible, offer themselves for re-appointment.

Thomas Cook Overseas Ltd. (TCOL) in exercise of its powers under Article 115 of the Articles of Association of the Company has, vide its letter dated 6th January, 2003 appointed Mr. Stefan Pichler as a Director who shall be a Non-Retiring Director.

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 recommended for appointment as Branch Auditors for Thomas Cook (India) Limited in Sri Lanka.

Subsidiary Companies

The audited Statement of Accounts along with the Directors' Report of Hindustan Cargo Ltd. , Thomas Cook Insurance Services (India) Ltd. (formerly known as India Alive Ltd.), Thomas Cook Tours Ltd., Indian Horizon Travel & Tours Ltd., Thomas Cook (Mauritius) Holding Co. Limited (formerly known as TC (Mauritius) Holding Co. Limited) and Thomas Cook (Mauritius) Operations Co. Limited (formerly known as TC (Mauritius) Operations Co. Limited) for the year ended 31st October, 2002 are separately attached as required under the provisions of Section 212 of the Companies Act, 1956.

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

The foreign exchange earnings during the year amounted to Rs. 347.1 millions . 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 Q Note K in 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 from the Public under section 58A of the Companies Act, 1956.

Listing of Shares

Your Company is listed on two Stock Exchanges in India viz. The Stock Exchange, Mumbai and The National Stock Exchange. The Listing Fees for the Financial Year 2002-2003 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 employees 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.

BY ORDER OF THE BOARD

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

MUMBAI

Dated: 16th January, 2003

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 2002

Sr. No.	Name	Age	Designation	Remuneration	Nature of Duties	Qualification	Total Experience	Date of joining TCIL	Last Employment
1	Mr. Kakkar Ashwini	48	Chief Executive Officer & Managing Director	8183006	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.	24	16th June 1997	IGE India Ltd.
2	Mr. Menon Madhavan	47	Executive Director - Foreign Exchange	5915271	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	23	2nd May 2000	Birla Sun Life Asset Management Company (AMC) Ltd.
3	Mr. Sreekumar P	43	Executive Director - Finance	4933506	Overall responsibility for Finance and Accounting function as also management of 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	18	16th April 2001	Enron India / Dabhol Power Company
4	Mr. Dandapani V. #	57	Head of Travel Management	1152784	Responsible for developing and managing the Travel Business for TCIL.	B.Sc.	34	1st June 1987	Attar Travels, Jeddah
5	Mr. Jain Jeetendra #	36	Head of Credit Cards	643453	Responsible for developing and managing the Credit Card Business for TCIL.	B.E., Post Graduate Diploma in Computer Prog./Engg/ Software/Application	11	3rd September 1999	Countrywide Consumer Financial
6	Mr. Rebello Anthony #	60	Assistant Manager - Travel	483047	Handling Railway Bookings for New Delhi Branches	B.Sc.	38	1st April 1964	-
7	Mr. Subramaniam K. R. ##	52	Senior Executive - Travel	464881	Handling Travel Operations at Rajaji Salai Branch	M.A.	27	1st June 1981	Trade Wings
8	Ms. D' Costa Joan #	55	Telephone Operator	709750	Responsible for operating telephone board for TCIL.	S.S.C	32	4th March 1974	St. Isabel's Hospital

- Notes:
- 1 The nature of employment of Directors 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 Gratuity is contributed for the Company as a whole and hence excluded. In case of staff resigning/retiring from the services of the Company, the actual gratuity amount paid has been considered.
 - 4 # Employed for part of the year and in receipt of remuneration aggregating not less than Rs.200000/- per month
 - 5 ## These staff are appearing as they have been paid their full and final settlement dues inclusive of ex-gratia payments, and are in receipt of remuneration aggregating not less than Rs. 200000/- per month.
 - 6 None of the employees mentioned above is a relative of any Director of the Company.

BY ORDER OF THE BOARD

Mumbai
16th January, 2003

P.P.MADHAVJI
CHAIRMAN

A.M.KAKKAR
CEO & MANAGING DIRECTOR

THE MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Travel & Related Services

The travel industry continued to pass through a critical phase last year, after the effect of 9/11 in 2001. The possibility of an Indo-Pak war during the mid-year put off a lot of inbound and outbound travellers, coupled with negative travel advisories issued by various consulates warning their citizens of not travelling to the Sub-Continent region. During times where normalcy prevailed on the external front, internal security and law & order situation created panic in certain parts of the country. The potential US –Iraq war, if it occurs, would have an impact on the holiday businesses, by way of increased costs, lower volumes and cancellations. While it is not possible to quantify the impact at this stage, we would endeavour to offer alternate holiday destinations to offset the diminution, partly, if not in entirety.

The capping of international commission from 9% to 7% which was expected, finally came into effect from January 2002. The domestic airlines also followed suit by reducing their commissions to agents.

Post September 11, some of the major airlines are facing tremendous financial difficulties, and coupled with predominant use of technology, the margins on ticket sales that travel agents earn would be under pressure.

At the same time large corporates have realised the value of specialised travel advice to whom we provide such service. Coupled with the investments in technology, the Company has made, we would be in a position to lower costs and retain reasonable margins in this activity.

Travel related spending by the business has remained flat. The business confidence outlook for the next year is positive and we expect corporate travelling spends to pick up. Any improvement in the current sentiments and the performance of the Company would have a positive impact on the Company. The inbound individual and packaged tours into the country since September 11 was significantly affected and the number of tourist arrivals were much lower than planned. The outbound packaged holiday tours developed by the Company were well received this year too. The growing demand for quality holidays at reasonable prices is a niche segment that your Company is focussing on with success. The tourist inflows into India are likely to be stable with no major increase compared to last year. Along with domestic tourism the outbound tourist traffic is expected to maintain a healthy growth. The shortage of airline seat capacity for outbound travel could be a constraint.

Financial Services

Thomas Cook continues to command the numero uno status in the currency management sector of the foreign exchange market despite competition from other players especially from the segment of money changers.

The outlook for the sector is bright with more opportunities being thrown up by the recent spurt of liberalisation measures by the Reserve Bank of India. Entry of multinational foreign exchange companies can put competitive pressures on the Company. The business is also very susceptible to limited volatility in the foreign exchange market. Keeping the transactions low is critical for maintaining profitability. We believe that better yield management and active management of costs that the Company has successfully initiated would, mitigate these risks to a large extent.

Other businesses

The Company promotes and sells co-branded and niche Insurance Products through its 100% subsidiary which is another step forward in the direction of making Thomas Cook “a one stop travel shop.” It is one of the first movers to recognize the potential of Insurance business in India. The Company ended the year as the top corporate selling agent within a short span of 8 months.

Your Company is looking forward to launch new products in the near future particularly domestic Insurance, which research shows has huge market opportunity. The Cargo business is another area of related business that your Company has been conducting successfully through its subsidiary Hindustan Cargo Ltd. This business is expected to see steady growth in the following year. The increasing emphasis that the Company would provide on import shipments would not only diversify the company, but also improve the profitability in the near future.

Results

Despite a difficult year, the Company clocked revenue growth of 16% compared to the previous twelve months. Profit before tax was 66% higher, while profit after tax was 88% higher for the same period. Active management of costs led to

a reduction of 4% compared to the previous year. The earnings per share for the year was Rs.13.3 compared to Rs.6.3 the previous year. The business of the Company was funded mainly through own resources and short term borrowings were resorted to during the year as and when required.

Internal Control, Audit and Systems

Internal Control Systems are basically of three types namely Operational, Financial and Legal. All the three systems have been integrated to ensure that the Company's Business objectives are duly accomplished. These systems are continually monitored as well as periodically reviewed and wherever necessary, are modified or redesigned to ensure better efficiency and effectiveness.

The systems are subjected to overall control supervised by the Board of Directors and Audit Committee which is inter-alia supported by the Corporate Governance, voluntarily observed since many years and statutorily implemented since year before last. The Company has written policies on ethics and integrity, insider trading, information security, business continuity and other internal control procedures and practices.

Company has a risk committee chaired by MD and CEO which periodically meets to address the risk issues relating to various business and support areas and monitor the critical factors in order to effectively address them. During current year Risk Committee approved the risk mapping for India which lists down major risks faced by Company in India and the mitigation controls put in place to bring down their impact.

Human Resources

Relations with the employees and the recognized Union, viz. The All India Tourist & Travel Employees Association remained cordial through the year. The Management and the Union have both reaffirmed their support to the Vision of the Company and have worked together to achieve the objectives of the Company. The Management wishes to place on record its acknowledgement and appreciation for the support extended by all the employees of the Company.

The Current employee strength is 837. Human capital is a key element of competitive advantage, particularly to a service driven company. During the year, a separate Cell to look after Service Quality issues in the Company was created under the overall umbrella of the HR function.

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

The Company's Wide Area Network (WAN) provides a stable and effective means of providing valuable support to the business. The Company has a SAP software which provides the accounting and financial analysis for the Company. The Company last year has invested in developing software for its front office operations. The software is unique by virtue of being integrated with various external systems like Customer Reservation System. The software is likely to be rolled out across all the offices of the Company during second half of the next financial year. The software will ensure that all the customer data is available to front office staff at any given time. It will also ensure that the customer data is available for various channels viz. Shops, Call Centre and Web, thus integrating all the channels of customer interaction.

All the investment in IT is susceptible to technological obsolescence rapidly. The newer versions of software that is being released by companies puts more stress on the old hardware and demands either an upgrade or a replacement thereby asking for investment. Though the exodus boom to the western world has reduced, there is a constant threat of skilled manpower shortage. 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 offering for multi media integration, more investments have to be made to remain competitive and customer friendly.

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

1. 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, tuned to the philosophy of Thomas Cook Group which 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.

2. Board of Directors ('Board'):

Size of the Board

The Board consists of Twelve (12) members with Three (3) Executive Directors and Nine (9) 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, inter-alia, 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 includes reviewing corporate performance, ensuring adequate availability of financial resources and reporting to shareholders. During the year ended 31st October 2002, the board met five times. The 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 five board meetings during the year ended 31st October 2002, were held on 6th December 2001, 28th February 2002, 30th May 2002, 21st August 2002 and 12th September 2002.

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:

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:

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	5	Yes	6	1	1	4
2.	Mr. A. Kakkar	E.D	Chief Executive Officer & Managing Director	5	Yes	7	1	—	2
3.	Mr. M. Menon	E.D	E.D – Foreign Exchange	5	Yes	4	—	—	1
4.	Mr. P. Sreekumar	E.D	E.D – Finance	5	Yes	3	—	—	1
5.	Mr. M. L. Apte	I & N.E.D	—	4	No	10	3	1	6
6.	Mr. H.S. Billimoria	I & N.E.D	—	5	Yes	5	1	2	6
7.	Mr. R. Sundararaman**	I & N.E.D	State Bank of India – Nominee	1	Yes	14	2	2	8
8.	Mr. K. Digvijay Singh	I & N.E.D	—	5	Yes	—	—	—	1
9.	Mr. Alan Stewart	N.E.D	—	4	Yes	—	—	—	—
10.	Mr. Ian Ailles	N.E.D	—	4	Yes	—	—	—	—
11.	Mr. L. Porter	I & N.E.D	—	3	Yes	—	—	—	1

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

** Mr. R Sundaraman resigned w.e.f. 5th December, 2002 and Mr K S V Krishnama Chari was appointed in his place from that day.

*** Mr. Stefan Pichler was appointed by Thomas Cook Overseas Ltd. (TCOL) as a "Non-Retiring Director" w.e.f. 16th January, 2003 pursuant to the powers conferred on TCOL under Article 115 of the Articles of Association of the Company.
Leave of Absence was granted by the Board to the Directors who were absent at the respective Board Meeting/s.

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 a period of five (5) years at a time.

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 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 year under review the board met five (5) 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 Wholtime/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. Madhav Laxman Apte and Mr. Ian Ailles 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. Madhav Apte**

- Chairman of Apte Amalgamations Ltd. since 1970.
- Director of Various companies like Bombay Burmah Trading Corporation Ltd., Standard Industries Ltd., Bajaj Hindustan Ltd., Grasim Industries Ltd., Kulkarni Power Tools Ltd., Lintas India Ltd., New Phaltan Sugar Works Ltd., The Raja Bahadur Poona Mills Ltd. and Zodiac Clothing Co. Ltd.
- Past President of Indian Sugar Mills Association and Bombay Chambers of Commerce.
- Former Sheriff of Bombay.
- Ex-President of Cricket Club of India.
- Chairman of Cricket Improvement Committee of the Mumbai Cricket Association.
- Trustee of Victoria Memorial School for the Blind.
- Trustee of Mahalaxmi Temple Charities.

(ii) **Mr. Ian Ailles**

Ian Ailles (37), who is a chartered accountant, was appointed Finance Director for Thomas Cook 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. K. S. V. Krishnama Chari**

Mr K S V Krishnama Chari is a Nominee of the State Bank of India on the Board of the Company. Born in 1943, Mr Krishnama Chari joined the Bank as Probationary Officer in 1966. During the span of 37 years of bank service, he held several important assignments including, inter-alia, Chief General Manager, Lucknow Circle of State Bank of India, Managing Director, State Bank of Mysore and Managing Director, State Bank of Hyderabad. He is on the Boards of SBI Group banks like State Bank of Bikaner & Jaipur, State Bank of Indore, State Bank of Patiala, State Bank of Saurashtra, State Bank of Travancore, State Bank of Hyderabad, State Bank of Mysore and also on the Boards of other subsidiaries of SBI Group like SBI Capital Markets Ltd., SBI Gilts Ltd., SBI Securities Ltd., SBI Commercial & International Bank Ltd., SBI Home Finance Ltd., SBI Life Insurance Co. Ltd., Credit Information Bureau (India) Ltd.

Mr Krishnama Chari is presently working as Dy. Managing Director & Group Executive (A & S) of the State Bank of India.

(iv) **Mr. Stefan Pichler**

Mr. Stefan Pichler, born on November 7, 1957, has been the Chairman of the Board and Chief Executive Officer of Thomas Cook AG since March 1, 2001.

Mr. Stefan Pichler is Chairman of the Supervisory Board of Condor Flugdienst GmbH, (formerly known as NUR TOURISTIC GmbH), Thomas Cook France S.A.S. and Thomas Cook Austria AG. In addition he is Chairman of the Board of Directors of Thomas Cook UK and Chairman of the Administrative Council of Thomas Cook Belgium N.V. as well as President of the Administrative Council of Thomas Cook Service AG, Switzerland.

In addition, Mr. Stefan Pichler is a member of the Presidency of Federation of German Industries (BDI) and chairs the Tourismus working Group of this federation. Moreover he is a member of the Advisory Board of Deutsche Bank AG, a member of the Tourism Advisory Board of the Federal Ministry of Industry and Technology, as well as a member of the Supervisory Boards of Messe Berlin GmbH (Berlin Trade Fair) and Steigenberger Hotels AG. Moreover he also serves on the Board of Governors of the German Sports Sponsorship Foundation (Stiftung Deutsche Sporthilfe).

3. **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 and compliance with rules and regulations or norms of Foreign Exchange Regulations Act (FERA), International Association of Travel Agents (IATA), Provident Fund (PF), Tax Deduction at source (TDS) and Risk Compliance.

The Committee was restructured in June 1998 under the Chairmanship of a Non Executive Director, Mr. H.S. Billimoria, who by profession is a 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 and attendance during the year ended on 31st October 2002:

The committee met four (4) times during the year under review. The said meetings were held on 5th December 2001, 27th February 2002, 30th May 2002, and 20th August 2002.

The committee also met on 5th December 2001 prior to the finalisation of accounts for the year ended October 31, 2002.

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

* 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 28th February 2002 in terms of Clause 49(II) of the Listing Agreement

*** Resigned w.e.f. 5th December, 2002 and replaced by Mr K S V Krishnama Chari. The committee granted Leave of absence to Mr. R Sundararaman whenever absent at the Committee meetings.

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.

(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 year ended 31st October 2002:

The Committee met four times during the year under review. The four meetings were held on 5th December 2001, 27th February 2002, 29th May 2002 and 11th September 2002.

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

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

Details of Remuneration to all the Directors for the Year ended 31st October 2002

Name of Director	Salary (Rs.)	Benefits (Rs.)	Bonus/ Commission (Rs.)	Sitting fees (Rs.)	Total (Rs.)
Mr. Ashwini Kakkar	2,260,450/-	3,324,465/-	2,598,091/-	Nil	8,183,006/-
Mr. Madhavan Menon	1,256,000/-	3,245,120/-	1,414,151/-	Nil	5,915,271/-
Mr. P Sreekumar	1,444,650/-	2,074,705/-	1,414,151/-	Nil	4,933,506/-
Non-Exec. Directors	Nil	Nil	1,268,507/-	267,500/-	1,536,007/-

(iii) **Share Transfer & Shareholders/Investors Grievance Committee:**

Terms of Reference

The Share Transfer Committee was formed in 1996 consisting of three Executive Directors and three 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.

The Committee was renamed as the Share Transfer & Shareholders'/Investor Grievance Committee in February, 2001 based on the requirement of Clause 49 VI (c) of the Listing Agreement with the Stock Exchange(s).

Composition of the Committee and attendance during the year ended 31st October 2002 :

Pursuant to Clause 49 VI of the Listing Agreement the Committee met 24 (Twenty Four) times during the year under review i.e. once in a fortnight to approve matters related to Shares.

Sr. No.	Name of the Director	Category	No. of Meetings attended
1.	Mr. P. P. Madhavji	Chairman	21
2.	Mr. A. Kakkar	Member	20
3.	Mr. M. Menon	Member	13
4.	Mr. P. Sreekumar	Member	18
5.	Mr. M. L. Apte	Member	2
6.	Mr. H. S. Billimoria	Member	-
7.	Mr. R. Sundararaman*	Member	-
8.	Mr. K. Digvijay Singh	Member	3

* Resigned w.e.f. 5th December 2002 and Mr. K S V Krishnama Chari was appointed in his place.

Name and Designation of Compliance Officer:

Mr. 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	407	407	—	—	—	—
	(A) Warrant already paid	11	11	—	—	—	—
	(B) Fresh cheques issued against request for duplicate warrants	356	356	—	—	—	—
	(C) Reply sent giving warrant details (Reconciliation in process)	16	16	—	—	—	—
	(D) Misc. queries in connection with payment	24	24	—	—	—	—
(2)	Inquiry pertaining to non receipt of shares sent for transfer	16	16	—	—	—	—
(3)	Inquiry of dematerialisation of shares	18	18	—	—	—	—
(4)	Name correction	2	2	—	—	—	—
(5)	Letters received from SEBI and other Statutory bodies	1	1	—	—	—	—
(6)	Change of address	180	180	—	—	—	—

Sr. No.	Nature of Complaint/Query	Total Recd.	Total Replied	Pending Queries (Days)			Remarks if any
				0-7	7-15	Above 15	
(7)	ECS/Mandate Registration	422	422	—	—	—	—
(8)	Loss of shares	80	80	—	—	—	—
(9)	Split/Consolidation/Renewal/ Duplicate issue of certificates	6	6	—	—	—	—
(10)	Request for nominations	0	0	—	—	—	—
(11)	Tax exemption forms	39	39	—	—	—	—
(12)	Transmission of Securities	26	26	—	—	—	—
(13)	Exchange/Sub division of old shares	0	0	—	—	—	—
(14)	Dividend/interest queries including request for changes on live warrants (death certificates/change in bank mandate details/name correction, etc.)	110	110	—	—	—	—
(15)	Document registration	15	15	—	—	—	—
(16)	Queries related to Bonus issues	37	37	—	—	—	—
(17)	Open Offer	0	0	—	—	—	—
(18)	Others (Miscellaneous)	510	510	—	—	—	—
(19)	No. of Pending transfers	0	0	—	—	—	—

(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 as prescribed by 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. During the year the Committee met 13(Thirteen) times to resolve the matters related to day to day affairs of the Company.

Sr. No.	Name of the Director	Category	No. of Meetings attended.
1.	Mr. A. Kakkar	Chairman	11
2.	Mr. M. Menon	Member	12
3.	Mr. P. Sreekumar	Member	13

4. 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 in Mumbai 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.

(ii) Internal Policies/Codes adopted:

The Company has devised various internal policies for administering and controlling the information being dispersed through the organizational hierarchy. These include the Information Systems Security Policy, Policy on Prevention of Insider Trading and Anti Money Laundering Policy. Moreover, the Company has formulated a policy on Ethics and Integrity, which is binding on all the employees of the Company.

The policy on Prevention of Insider Trading is based on the model policy devised by SEBI (Securities and Exchange Board of India) under SEBI (Prevention of Insider Trading) Regulations, 1992 as amended on 20th February, 2002 while the policy on Ethics and Integrity puts down in detail the ethical values for each and every employee of the organisation. Other policies viz. Information Systems Security Policy and Anti Money Laundering Policy lay down the internal control procedures in the areas of information systems and money transactions, respectively.

(iii) Prestigious award to the Company:

Thomas Cook (India) Ltd. has been awarded the prestigious Golden Peacock Award for Excellence in Corporate Governance initiated by the Institute of Directors (IOD), a non-profit organization, in association with World Environment Foundation (WEF), Federation of Indian Chamber of Commerce and Industry (FICCI), World Council for Corporate Governance (WCCFG) and Centre for Corporate Governance. The criteria for the award include transparency, excellence in conducting business at various levels of management, social and environmental responsibility, ethical business practice and consistent creation of value for all the stakeholders.

This award provides an added dimension to Thomas Cook (India) Ltd. which has also been winning the TTG Best Travel Agency - India award, a part of Pacific Asia Travel Association (PATA) programme, for the fourth consecutive year.

5. Annual General Meetings:

Location and time where last three Annual General meetings held:

Location	Date	Time
M.C. Ghia Hall,	19 th April 2000	3.30 p.m.
Bhogilal Hargovindas Building,	8 th June 2001	2.30 p.m. (EGM) *
2 nd Floor, 18/20, Kaikhushru	8 th June 2001	3.30 p.m.
Dubash Marg, Mumbai 400 001	28 th February 2002	3.30 p.m.

* EGM - Extraordinary General Meeting

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

For the year ended October 31, 2002, there have been no ordinary or special resolutions passed by the Company's shareholders through postal ballot.

6. 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.

7. Means of communication:

Half-yearly report was sent to each household of shareholders for the period ending 30th April 2002.

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.

Quarterly results are published in English and in Marathi in various Newspapers. The Audited Financial Results of the Company are published in The Times of India (English) and Maharashtra Times (Marathi).

Quarterly results have also been hosted on the Company's website www.thomascook.co.in effective quarter ended December 31, 2000.

As per requirements of Clause 51 of the Listing Agreement, all the data related to quarterly financial results, shareholding pattern, etc. is provided to the special web-site www.sebiedifar.com within the timeframe prescribed in this regard.

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 Analyst Report is attached with the Directors' Report in this Annual Report.

8. General Shareholder information:

Annual General Meeting	:	26 th Annual General Meeting
Date	:	Monday, 24 th February, 2003
Time	:	3.30 p.m.
Venue	:	Y B Chavan Auditorium, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai 400 021
Financial Calendar	:	November to October
Book closure	:	Tuesday, 4 th February, 2003 to Monday 24 th February, 2003 (both days inclusive)
Dividend payment date	:	10 th March, 2003
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: 022-2272 1233/34 Facsimile: 022-2272 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: 022-2659 8100 - 14 Facsimile: 022-2659 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 year ended on 31 st October 2002

Thomas Cook (India) Limited

The Stock Exchange, Mumbai (BSE):

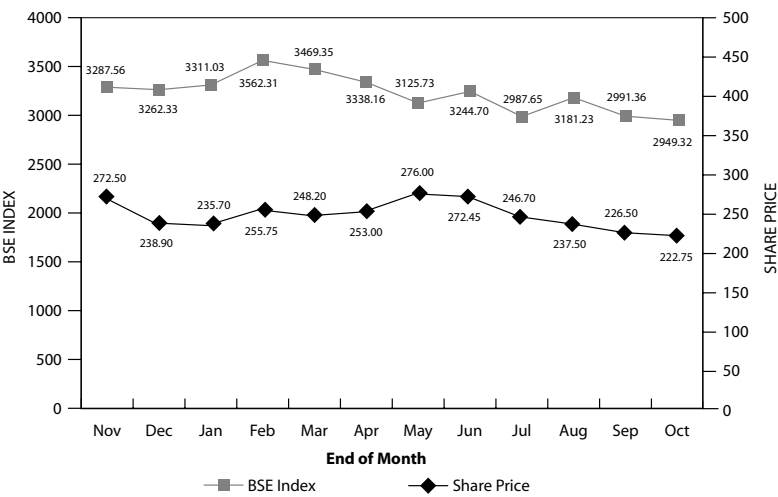
Sr. No.	Month	High (Rs.)	Low (Rs.)	Volume
1.	Nov	296.00	260.00	12248
2.	Dec	284.50	232.10	28681
3.	Jan	259.95	222.55	14987
4.	Feb	270.00	234.00	24328
5.	Mar	269.95	237.10	21551
6.	Apr	272.00	243.05	21850
7.	May	306.00	253.00	77149
8.	June	285.00	265.00	53585
9.	July	288.60	239.05	27832
10.	Aug	252.00	227.00	24662
11.	Sept	244.00	225.00	18438
12.	Oct	230.00	218.30	14658

The National Stock Exchange of India Limited (NSE):

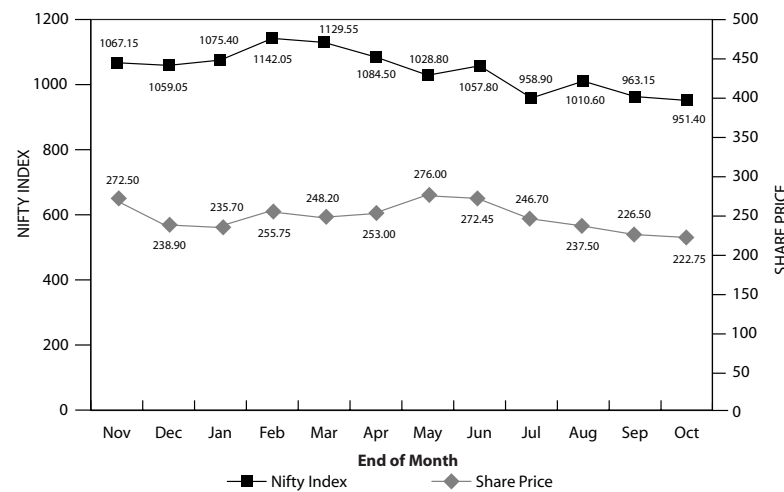
Sr. No.	Month	High (Rs.)	Low (Rs.)	Volume
1	Nov	299.90	255.00	17260
2	Dec	282.50	225.55	49602
3	Jan	246.75	227.00	21757
4	Feb	270.10	234.60	69384
5	Mar	269.80	238.25	38636
6	Apr	268.45	243.05	49451
7	May	306.95	250.00	119318
8	June	289.00	262.00	34194
9	July	287.90	238.25	53637
10	Aug	252.50	228.00	60227
11	Sept	248.45	224.10	22458
12	Oct	229.65	219.00	21632

Performance in comparison to broad-based indices such as BSE Sensex, Nifty Index, etc.

Performance of TCIL Share Price vis a vis BSE Index for the year ended 31st October, 2002



Performance of TCIL Share Price vis a vis NSE Index for the year ended 31st October, 2002



Registrar & Transfer Agents : Tata Share Registry Limited,
Army and Navy Building,
148, Mahatma Gandhi Road,
Fort, Mumbai 400 001.
Tel. No. : 91-22-2287 3831
Fax. No. : 91-22-2284 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 31.10.2002):

Sr. No.	Range			Holdings	Amount (Rs)	% to Capital	No. of Share-holders	% to Share-holders
1.	1	to	5000	1537262	15372620	10.54	16803	89.72
2.	5001	to	10000	734492	7344920	5.04	1070	5.71
3.	10001	to	20000	821838	8218380	5.64	684	3.65
4.	20001	to	30000	219066	2190660	1.50	92	0.49
5.	30001	to	40000	102963	1029630	0.71	30	0.16
6.	40001	to	50000	66892	668920	0.46	15	0.08
7.	50001	to	100000	124608	1246080	0.85	18	0.10
8.	Greater	than	100000	10976212	109762120	75.27	16	0.09
	Total			14583333	145833330	100.00	18728	100.00

Categories of Shareholders as on 31.10.2002:

Sr. No.	Shares held by	No. of Shares	Percentage
1.	Foreign Holdings		
	a. Foreign Collaborators	8750000	60.00
	b. Foreign Financial Institution	83118	0.57
	c. Overseas Corporate Bodies	0	0.00
	d. Other NRI's	36612	0.25
	Total (a+b+c+d)	8869730	60.82
2.	Govt./Govt. Sponsored Financial Institutions		
	a. Unit Trust of India	388451	2.66
	b. The Oriental Insurance Company Ltd	17726	0.12
	c. Nationalised Banks	1213827	8.32
	Total (a+b+c)	1620004	11.11
3.	Foreign Banks	1648	0.01
4.	Other Banks	3140	0.02
5.	Mutual Funds	20143	0.14
6.	Bodies Corporate	396723	2.72
7.	Directors & their Relatives		
	a. Mr. P.P. Madhavji & relatives	7086	0.05
	b. Mr. A. M. Kakkar & relatives	23254	0.16
	c. Mr. P. Sreekumar	2245	0.02
	d. Mr. M. L. Apte & relatives	4082	0.03
	Total (a+b+c)	36667	0.25
8.	Other Resident Individuals	3635278	24.93
	GRAND TOTAL (1+2+3+4+5+6+7+8)	14583333	100.00

Dematerialisation of shares and liquidity:

Status of dematerialisation as on 31st October 2002:

Particulars	No. of shares	% age to capital	No. of Accounts
National Securities Depository Limited	13400195	91.89	14355
Central Depository Securities Limited	76109	0.52	522
Total Dematted	13476304	92.41	14877
Physical	1107029	7.59	3851
Total	14583333	100.00	18728

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 54 branches across 16 cities in India and also at Sri Lanka.

Address for correspondence : Thomas Cook (India) Limited,
Thomas Cook Building,
Dr D N Road, Fort,
Mumbai 400 001.
Telephone: (022) 2204 8556/7/8
Facsimile: (022) 2287 1069
Email: sharedept@in.thomascook.com

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 members:

Mr. H S Billimoria
Mr. P P Madhavji
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 consisted 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 their work.

Mumbai
Dated: 4th December, 2002

H S Billimoria
Chairman, Audit Committee

Report of the Recruitment & Remuneration Committee to the Members:

The Recruitment & Remuneration Committee met 4 times during the 12 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.

Salaries:

The Committee reviewed and approved the compensation payable to the Executive Directors of the company for the 12 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 performance year November 2001 to October 2002. The Committee deliberated and approved an average increment rate of 8%.

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, 2002.

Name	In Rs.
	Commission Payable
Mr. P. P. Madhavji	328,872.29
Mr. M. L. Apte	234,908.78
Mr. H. S. Billimoria	234,908.78
Mr. R. Sundararaman	234,908.78
Mr. K. Digvijay Singh	234,908.78
Total	1,268,507.41

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

Mr. Alan Stewart
Mr. Ian Ailles

Mr. Lester Porter, an independent Director on the Board, from U.K., has also waived his entitlement to compensation.

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
Dated: 4th December, 2002

M. L. Apte
Chairman
Recruitment & Remuneration Committee

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

The Share Transfer & Shareholders'/Investors' Grievance Committee of the Board met 24 times during the year ended 31st October, 2002. 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. 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, issue of duplicate share certificates and transmission of shares with or without legal representation.

The Committee also takes note of various shareholder requests and comments received by the Registrars & Share Transfer Agents viz. Tata Share Registry Limited and directly by the Company and oversees redressal of the same.

No. of requests received	2276
No. of requests attended to	2276
No. of requests pending	—

Mumbai
5th December, 2002

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

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

The Sub-Committee of the Board met 13 times during the year ended 31st October, 2002. The requisite quorum was present from 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. These are considered at length at the meetings of this Committee which while relieving the full Board from the burden of considering routine matters also helps to effectively reduce the time to go ahead in the matters requiring Board approval.

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 often as required.

Mumbai
21st November, 2002

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 examined the implementation of Corporate Governance procedures by Thokmas Cook (India) Limited (the company) for the year ended 31st October 2002, 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 conditons of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for eusuring the compliance of the conditions of Corporate Goverance. 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. In our opinion and according to the information and explanations given to us, the conditions of Corporate Goverance as stipulated in Clause 49 of the listing agreement(s) with the Stock Exchange(s) have been complied with in all material respects by the company.

Sharmila A. Karve
Partner
For and on behalf of
Lovelock & Lewes
Chartered Accountants

Mumbai, 5th December, 2002

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**AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF THOMAS COOK (INDIA) LIMITED
ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THOMAS COOK (INDIA) LIMITED
AND ITS SUBSIDIARIES**

1. We have examined the attached consolidated Balance Sheet of Thomas Cook (India) Limited (the company) and its subsidiaries as at 31st October, 2002, the consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year then ended which we have signed under reference to this report. These financial statements are the responsibility of the management of the company. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements prepared are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditor provide a reasonable basis for our opinion.
3. We did not audit the financial statements of Sri Lanka branch of the company, Thomas Cook (Mauritius) Holding Company Limited and Thomas Cook (Mauritius) Operations Company Limited whose financial statements reflect total assets of Rs. 96,009,794 as at 31st October, 2002 and total revenues of Rs. 39,673,147 for the year then ended. These financial statements have been audited by other auditors whose unqualified reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of this branch/these subsidiaries, is based solely on the reports of the other auditors.
4. We report that the consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard — 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the individual audited financial statements of Thomas Cook (India) Limited and its subsidiaries included in the aforesaid consolidation.
5. On the basis of the information and explanations given to us and on the consideration of the individual audit reports on individual audited financial statements of Thomas Cook (India) Limited and its subsidiaries, we are of the opinion that:
 - a) the consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of Thomas Cook (India) Limited and its subsidiaries as at 31st October, 2002;
 - b) the consolidated Profit and Loss Account gives a true and fair view of the consolidated results of operations of Thomas Cook (India) Limited and its subsidiaries for the year then ended;
 - and
 - c) the consolidated Cash Flow Statement gives a true and fair view of the cash flows of Thomas Cook (India) Limited and its subsidiaries for the year then ended.

Sharmila A. Karve
Partner
For and on behalf of
Lovelock & Lewes
Chartered Accountants

Mumbai, 5th December, 2002

CONSOLIDATED BALANCE SHEET AS AT 31ST OCTOBER, 2002

	Schedule	As at 31st October, 2002 Rs.	As at 31st October, 2001 Rs.
I. SOURCES OF FUNDS :			
SHAREHOLDERS' FUNDS :			
Capital	A	145,833,330	145,833,330
Reserves and surplus	B	926,584,613	775,914,917
		<u>1,072,417,943</u>	<u>921,748,247</u>
LOAN FUNDS :			
Secured loans	C	111,555,811	205,878,538
Unsecured loans	D	131,071,646	48,787,558
		<u>242,627,457</u>	<u>254,666,096</u>
		<u>1,315,045,400</u>	<u>1,176,414,343</u>
II. APPLICATION OF FUNDS :			
FIXED ASSETS :			
Gross block	E	711,992,226	695,470,470
Less : Depreciation		<u>281,632,231</u>	<u>242,630,639</u>
Net block		430,359,995	452,839,831
Advances for capital expenditure		<u>22,719,224</u>	<u>4,378,656</u>
		<u>453,079,219</u>	<u>457,218,487</u>
INVESTMENTS	F	1,506,206	1,543,551
CURRENT ASSETS, LOANS AND ADVANCES :			
Sundry debtors	G	486,878,471	354,973,790
Cash and bank balances	H	690,551,942	540,158,371
Loans and advances	I	264,879,577	269,926,033
		<u>1,442,309,990</u>	<u>1,165,058,194</u>
LESS : CURRENT LIABILITIES AND PROVISIONS :			
Liabilities	J	476,453,568	333,429,706
Provisions	K	57,654,077	59,666,561
		<u>534,107,645</u>	<u>393,096,267</u>
NET CURRENT ASSETS		<u>908,202,345</u>	<u>771,961,927</u>
DEFERRED TAX LIABILITY	L	(49,775,780)	(58,681,643)
MISCELLANEOUS EXPENDITURE			
(to the extent not written off or adjusted)			
Startup costs for new businesses		<u>2,033,410</u>	<u>4,372,021</u>
		<u>1,315,045,400</u>	<u>1,176,414,343</u>

Notes to the accounts

Q

Schedules "A" to "L" and "Q" referred to above form an integral part of the Balance Sheet

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

Sharmila A. Karve Partner For and on behalf of 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 P. SREEKUMAR - EXECUTIVE DIRECTOR - FINANCE M. MENON - EXECUTIVE DIRECTOR - FOREIGN EXCHANGE R. R. KENKARE - HEAD OF LEGAL & COMPANY SECRETARY
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Mumbai, 5th December, 2002

Mumbai, 5th December, 2002

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST OCTOBER, 2002

	Schedule	Year ended 31st October, 2002 Rs.	Period ended 31st October, 2001 Rs.
INCOME :			
Turnover		1,023,391,032	749,732,347
Other income	M	31,509,518	25,408,027
		<u>1,054,900,550</u>	<u>775,140,374</u>
EXPENDITURE :			
Personnel expenses	N	252,986,258	190,945,297
Advertisement and business promotional expenses		62,686,424	58,151,575
Interest expenses	O	27,393,488	11,114,413
Other expenses	P	344,006,912	266,965,239
Amortisation of startup cost/Preliminary expenses written off		2,462,673	10,705,406
Depreciation	E	55,019,802	47,442,193
Diminution in the value of investment [Refer Note 3(d) in schdeule "Q"]		410,668	27,715,714
		<u>744,966,225</u>	<u>613,039,837</u>
Profit before taxation		309,934,325	162,100,537
Provision for taxation			
Current tax (including for earlier year Rs. 3,258,304, previous period Rs. Nil)		120,054,634	70,837,610
Deferred tax		(8,912,975)	2,943,496
Profit after taxation		198,792,666	88,319,431
Transferred from reserve as required under section 80HHD of the Income-tax Act, 1961		17,500,000	17,500,000
Transferred to reserve as required under section 80HHD of the Income-tax Act, 1961		15,000,000	17,500,000
		<u>201,292,666</u>	<u>88,319,431</u>
Balance brought forward from last year		91,484,619	51,948,506
Amount available for appropriations		292,777,285	140,267,937
Less : Appropriations			
Proposed dividend		48,125,000	40,833,332
Corporate dividend tax (previous period: net of provision Rs. 5,967,500 written back)		—	(1,496,500)
Transferred to general reserve		19,323,574	9,446,486
Balance carried to balance sheet		225,328,711	91,484,619
Basic and Diluted Earning Per Share [Refer note 3(f) in schedule "Q"]		13.63	6.06

Notes to the accounts

Q

Schedules "E", "M" to "P" and "Q" 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 and on behalf of the Board of Directors
	P. P. MADHAVJI - CHAIRMAN
Sharmila A. Karve	A. M. KAKKAR - CHIEF EXECUTIVE OFFICER &
Partner	MANAGING DIRECTOR
For and on behalf of	P. SREEKUMAR - EXECUTIVE DIRECTOR - FINANCE
Lovelock & Lewes	M. MENON - EXECUTIVE DIRECTOR - FOREIGN EXCHANGE
Chartered Accountants	R. R. KENKARE - HEAD OF LEGAL & COMPANY SECRETARY

Mumbai, 5th December, 2002

Mumbai, 5th December, 2002

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST OCTOBER, 2002

	Rs.	As at 31st October, 2002 Rs.	As at 31st October, 2001 Rs.
SCHEDULE "A" : CAPITAL :			
Authorised :			
20,000,000 Equity shares of Rs.10/- each		200,000,000	200,000,000
Issued and subscribed :			
14,583,333 Equity shares of Rs.10/- each fully paid-up		145,833,330	145,833,330
1) of the above, 279,993 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 13,883,333 Equity shares issued as fully paid-up bonus shares by capitalisation of general reserve and capital reserve			
3) of the above 8,750,000 Equity shares of Rs. 10/- each are held by the holding company Thomas Cook Overseas Limited, U.K.			
SCHEDULE "B" : RESERVES AND SURPLUS :			
Reserve as required under Section 80HHHD of the Income-tax Act, 1961 :			
Balance as per last Balance Sheet	108,500,000		108,500,000
Add: Transferred from Profit and Loss Account	15,000,000		17,500,000
	123,500,000		126,000,000
Less: Transferred to Profit and Loss Account	17,500,000		17,500,000
		106,000,000	108,500,000
General reserve :			
Balance as per last Balance Sheet	575,932,328		622,150,932
Less: Deferred tax liability as at start of the year	—		55,667,120
	575,932,328		566,483,812
Add: Transferred from Profit and Loss Account	19,323,574		9,446,486
		595,255,902	575,930,298
Profit and Loss Account		225,328,711	91,484,619
		926,584,613	775,914,917
SCHEDULE "C" : SECURED LOANS :			
Overdraft from banks		111,555,811	205,878,538
(Secured by hypothecation of book debts, stock of currencies and paid documents)			
		111,555,811	205,878,538
SCHEDULE "D" : UNSECURED LOANS :			
Overdraft from banks	72,028		3,058,592
Commercial paper	100,000,000		—
(payable within one year Rs. 100,000,000/-, previous period Rs. Nil)			
From Deutsche Bank AG, Frankfurt, Germany	—		9,133,770
(temporary overdraft in normal course of business)			
From Deutsche Bank AG, London	26,791,515		—
(temporary overdraft in normal course of business)			
From ANZ Bank, Australia	3,942,266		—
(temporary overdraft in normal course of business)			
From ANZ Bank, New Zealand	265,837		—
(temporary overdraft in normal course of business)			
From Westpack Bank, Sydney	—		1,614,147
(temporary overdraft in normal course of business)			
From Credit Suisse, Zurich	—		2,630,148
(temporary overdraft in normal course of business)			
From HSBC, London	—		31,569,793
(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, Sri Lanka	—		693,310
(temporary overdraft in normal course of business)			
		131,071,646	48,787,558

SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST OCTOBER, 2002

SCHEDULE "E" : FIXED ASSETS :

Details	GROSS BLOCK – AT COST				DEPRECIATION				NET BLOCK	
	<i>As at 1st November, 2001 Rs.</i>	<i>Additions during the year Rs.</i>	<i>Disposal/ Adjust- ments Rs.</i>	<i>As at 31st October, 2002 Rs.</i>	<i>As at 1st November, 2001 Rs.</i>	<i>For the year Rs.</i>	<i>On Deductions Rs.</i>	<i>As at 31st October, 2002 Rs.</i>	<i>As at 31st October, 2002 Rs.</i>	<i>As at 31st October, 2001 Rs.</i>
Goodwill	8,831,169	—	—	8,831,169	3,238,096	1,772,700	—	5,010,796	3,820,373	5,593,073
Leasehold Properties	23,014,187	—	—	23,014,187	22,499,227	6,330	—	22,505,557	508,630	514,960
Freehold Premises #	247,681,582	5,731,350	—	253,412,932	22,680,976	4,070,483	—	26,751,459	226,661,473	225,000,606
Strong Room	674,425	—	—	674,425	465,037	30,454	—	495,491	178,934	209,388
Furniture and fixtures	107,751,590	6,165,508	1,476,402	112,440,696	36,187,597	7,377,843	557,886	43,007,554	69,433,142	71,563,993
Computers	165,405,811	15,207,004	9,890,587	170,722,228	119,200,923	28,929,027	9,712,066	138,417,884	32,304,344	46,204,888
Office Equipment	94,149,514	4,131,542	1,396,694	96,884,362	21,193,562	5,888,115	582,272	26,499,405	70,384,957	72,955,952
Vehicles ##	47,962,192	4,906,660	6,856,625	46,012,227	17,165,221	6,944,850	5,165,986	18,944,085	27,068,142	30,796,971
GRAND TOTAL	695,470,470	36,142,064	19,620,308	711,992,226	242,630,639	55,019,802	16,018,210	281,632,231	430,359,995	452,839,831
<i>Previous period</i>	<i>647,476,073</i>	<i>51,311,934</i>	<i>3,317,537</i>	<i>695,470,470</i>	<i>197,444,222</i>	<i>47,442,193</i>	<i>2,255,776</i>	<i>242,630,639</i>	<i>452,839,831</i>	

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.9,629,164/- for premises on freehold land where the company is yet to be registered as the owner of a proportionate share in land.

d) Rs.150,186,286/- for premises where the co-operative society is yet to be formed.

includes Rs. 1,337,104/- (previous period Rs. 1,337,104/-) assets purchased under Hire Purchase agreement.

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST OCTOBER, 2002

	As at 31st October, 2002 Rs.	As at 31st October, 2001 Rs.
SCHEDULE "F" : INVESTMENTS (Long-term, Trade) :		
Equity shares :		
Quoted :		
Tangerine Beach Hotel Limited		
196,831 Ordinary shares of SLR 10/- each fully paid-up	1,279,624	1,279,624
Unquoted :		
Bidorbuy.com		
1,344,300 (previous year 500,000) Ordinary shares		
of USD 0.01 each fully paid-up	28,126,382	27,715,714
[Refer Note 3(d) in schedule "Q"]		
Debentures :		
Tangerine Beach Hotel Limited		
Zero coupon redeemable debentures of SLR 100/- each fully paid-up	226,582	263,927
	29,632,588	29,259,265
Less: Diminution in the value of investment	28,126,382	27,715,714
[Refer Note 3(d) in schedule "Q"]		
	1,506,206	1,543,551
Aggregate carrying cost of quoted investments	1,279,624	1,279,624
Aggregate carrying cost of unquoted investments	226,582	263,927
Market Value of quoted investments	2,893,416	2,047,042
SCHEDULE "G": SUNDRY DEBTORS :		
Unsecured, considered good		
Outstanding exceeding six months	21,799,660	14,501,965
Others	465,078,811	340,471,825
	486,878,471	354,973,790
Unsecured, considered doubtful		
Outstanding exceeding six months	24,128,762	17,696,103
	24,128,762	17,696,103
	511,007,233	372,669,893
Less: Provision for doubtful debts	24,128,762	17,696,103
	486,878,471	354,973,790

SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST OCTOBER, 2002

	As at 31st October, 2002 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)	228,668,151	189,868,876
Remittances in transit :		
Foreign currencies - Notes and paid documents	256,721,234	182,480,110
Less : provision for lost remittances	2,984,279	2,955,586
	253,736,955	179,524,524
Balances with scheduled banks :		
On current account	142,573,796	85,434,543
On fixed deposit	12,100,655	6,860,383
	154,674,451	92,294,926
Balances with Non-scheduled banks :		
On current account with ABN Amro Bank, London	651,942	8,620,095
On current account with Bank of New York, USA	2,590,271	17,230,766
On current account with Bankers Trust New York, USA	2,237,053	16,736,558
On current account with Deutsche Bank AG, Frankfurt, Germany	5,922,725	—
On current account with HSBC, London	2,883,515	—
On current account with Westpack Bank, Sydney	6,058,271	—
On current account with Bank of Nova Scotia, Canada	4,228,740	—
On current account with Credit Suisse, Zurich	1,547,551	—
On current account with HSBC, Sri Lanka	2,143,088	4,043,008
On current account with Standard Chartered Grindlays Bank, Sri Lanka	1,154,488	1,345,332
On current account with Pan Asia Bank, Sri Lanka	858,736	—
On current account with NDB Bank, Sri Lanka	8,338	54,986
On current account with Hatton National Bank, Sri Lanka	184,704	—
On fixed deposit account with HSBC, Sri Lanka	5,307,746	2,177,231
On fixed deposit account with Pan Asia Bank, Sri Lanka	1,776,887	—
On fixed deposit account with Standard Chartered Grindlays Bank, Sri Lanka	5,324,366	5,427,611
On fixed deposit account with NDB Bank, Sri Lanka	8,069,679	7,933,260
On current account with HSBC, Mauritius	580,113	6,564,039
On current account with Barclays Bank, Mauritius	1,232,741	8,264,962
On current account with Deutsche Bank, Mauritius	627,577	—
On fixed deposit account with HSBC, Mauritius	83,854	72,197
	690,551,942	540,158,371

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST OCTOBER, 2002

	As at 31st October, 2002 Rs.	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	251,323,570	257,001,226
Balance with customs, port trust etc.	270,052	275,280
Commercial paper	—	4,212,705
Tax payments less provisions	13,285,955	8,436,822
	<u>264,879,577</u>	<u>269,926,033</u>
SCHEDULE "J" : LIABILITIES :		
Sundry creditors - other than SSI units	409,380,659	289,071,512
Other liabilities	3,151,690	1,845,048
Purchase consideration for acquisition of Sri Lanka branch operations	4,802,000	4,802,000
Advance payment from customers for which value is still to be given (including travellers cheques, drafts and transfers unpaid)	57,045,592	35,735,191
Investor Education and Protection Fund :		
Balance in share application money and fractional entitlement on bonus shares refund accounts	136,594	137,122
Unclaimed dividends	1,937,033	1,838,833
	<u>476,453,568</u>	<u>333,429,706</u>
SCHEDULE "K" : PROVISIONS :		
Provision for Gratuity	9,529,077	14,668,229
Proposed dividend	48,125,000	40,833,332
Corporate dividend tax	—	4,165,000
	<u>57,654,077</u>	<u>59,666,561</u>
SCHEDULE "L" : DEFERRED TAX LIABILITY		
Deferred Tax Assets :		
Provision allowable for tax purposes when paid	2,664,945	—
Provision for doubtful debts	8,867,320	6,317,509
	<u>11,532,265</u>	<u>6,317,509</u>
Deferred Tax Liability :		
On fiscal allowances on fixed assets	60,587,916	58,453,721
Provision allowable for tax purposes when paid	—	5,027,831
Start-up cost of new business amortised in the books but fully claimed in tax on incurrance	720,129	1,517,600
	<u>61,308,045</u>	<u>64,999,152</u>
	<u>(49,775,780)</u>	<u>(58,681,643)</u>

**SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST OCTOBER, 2002**

	Year ended 31st October, 2002 Rs.	<i>Period ended 31st October, 2001 Rs.</i>
SCHEDULE "M" : OTHER INCOME :		
Interest on :		
Bank accounts	6,453,145	5,566,576
(tax deducted at source Rs.526,371/- previous period Rs.520,431/-)		
Refund of tax	945,576	3,490,511
Others	205,211	380,197
Rent	21,038	98,865
Profit on sale of fixed assets	961,484	223,844
Exchange differences (net) other than in normal course of business as foreign exchange authorised dealers	8,788,935	3,371,803
Management Fees	3,350,940	2,098,260
Miscellaneous income	10,783,189	10,177,971
	<u>31,509,518</u>	<u>25,408,027</u>
 SCHEDULE "N" : PERSONNEL EXPENSES :		
Salaries, wages and bonus	164,776,366	134,055,170
Contribution to provident and other funds	17,206,479	13,735,765
Premium on/provision for gratuity-cum-life assurance policy	4,920,238	6,998,436
Staff welfare	32,806,466	24,995,422
Staff training, recruitment and other cost	5,570,650	5,192,743
Incentive/Commission to staff and directors	27,706,059	5,967,761
	<u>252,986,258</u>	<u>190,945,297</u>
 SCHEDULE "O" : INTEREST EXPENSES :		
On bank overdraft	22,228,905	7,197,237
On commercial paper	5,164,583	3,917,176
	<u>27,393,488</u>	<u>11,114,413</u>

**SCHEDULE FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST OCTOBER, 2002**

	Year ended 31st October, 2002 Rs.	Period ended 31st October, 2001 Rs.
SCHEDULE "P" : OTHER EXPENSES :		
Rent	39,731,096	24,175,581
Rates and taxes	1,972,117	2,341,890
Insurance	10,775,392	5,465,138
Repairs – Building	165,451	187,848
– Others	29,777,285	18,496,731
Electricity	17,217,432	14,439,090
Printing and stationery	17,606,542	15,902,374
Postage, telegrams, telex and telephones	37,958,676	40,857,326
Freight currency shipment	10,436,481	7,514,856
Legal and professional fees	15,497,595	16,413,568
Statutory Auditors' remuneration :		
Audit fees	1,317,042	948,520
Reports under various sections of Income-tax Act, 1961	971,250	721,875
Miscellaneous Reports	324,800	694,064
Reimbursement of out-of-pocket expenses	87,395	57,354
Branch Auditors' remuneration :		
Branch audit fees	88,740	103,278
	2,789,227	2,525,091
Bank charges including handling charges on remittances	23,280,664	15,943,108
Travelling and subsistence	39,941,763	32,035,080
Brokerage and incentives	34,208,830	28,823,804
Directors' fees	305,500	316,000
Security services	7,086,175	5,983,323
Motor car running expenses	9,830,325	8,062,128
Name licence fee	8,867,534	6,242,670
Miscellaneous expenses	21,621,352	15,833,908
Provision for bad and doubtful debts (net)	6,483,167	2,820,085
Bad and doubtful debt written off	3,272,754	2,061,687
Provision for remittances lost in transit	28,693	142,083
Reversal of excess interest accrued on tax refund	3,518,515	—
Loss on fixed assets sold/scrapped	1,634,346	381,870
	<u>344,006,912</u>	<u>266,965,239</u>

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST OCTOBER, 2002 AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE "Q"

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 Accounting Standard (AS) - 21 on Consolidated Financial Statements as prescribed by Institute of Chartered Accountants of India. All inter company balances and transactions have been eliminated.

List of Subsidiary companies :

Name of the Company	Country of Incorporation	Proportion of ownership
Hindustan Cargo Limited	India	100 %
Thomas Cook Insurance Services (India) Limited {formerly India Alive Tours Limited}	India	100 %
Indian Horizon Travel and Tours Limited	India	100 %
Thomas Cook Tours Limited	India	100 %
Thomas Cook (Mauritius) Holding Company Limited {formerly TC (Mauritius) Holding Company Limited}	Mauritius	100 %
Thomas Cook (Mauritius) Operations Company Limited {formerly TC (Mauritius) Operation Company Limited}	Mauritius	100 %

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 statute 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 of India, 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 in case of Indian companies and on the Reducing Balance Method in case of Foreign companies. The rates adopted for depreciation determined on the basis of useful life of fixed assets are as follows :

Type of asset	Rate of depreciation On Straight Line Method	Rate of depreciation On Reducing Balance Method
Furniture and fixtures	6.33%	15%
Computers	25.00%	
Office equipment		
VSAT & Communication router	10.00%	
Other office equipment	4.75%	33%
Vehicles	15.00%	20%

Assets costing less than Rs. 5,000 are depreciated fully in the year of purchase in case of Indian companies.

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

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

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST OCTOBER, 2002 AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE "Q" (contd.)

- 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 the year end are converted at closing rates and exchange differences are recognized in the Profit and Loss Account.
- c) Exchange differences relating to purchase of fixed assets are adjusted to carrying cost of fixed assets.
- d) 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.
- 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 Company's 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.
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NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST OCTOBER, 2002 AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE "Q" (contd.)

Revenue on Foreign Exchange transactions is recognized at the time of Purchase or Sale.

Revenue on holiday packages is 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 is accounted on accrual basis.

h) Start up costs of new businesses :

All costs in relation to new businesses are amortised over a period of three 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) Taxes on Income :

Current tax is determined as the amount of tax payable in respect of taxable income for the year.

Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent years.

3. NOTES TO ACCOUNTS

a) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances, Rs. 29,306,693 (previous period Rs. 31,161,128).

b) Contingent liabilities

i) Claims against the company not acknowledged as debts Rs. 3,181,250 (previous period Rs. 3,206,250).

ii) Disputed income-tax demand Rs. 18,533,792 (previous period Rs. 18,533,792).

iii) Disputed demand for increase in rent raised by BrihanMumbai Municipal Corporation Rs. 10,585,667 (previous period Rs. Nil).

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 500,000 ordinary shares of par value USD 0.01 per share at USD 2 per share aggregating to USD 1,000,000 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 500,000 on 23rd May, 2000 being consideration for 250,000 ordinary shares. Purchase consideration for balance 250,000 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.22,500,000 equivalent to USD 500,000. The actual cost incurred on the advertisement was Rs. 5,615,714. 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 was reduced from the carrying cost of the investment.

During the year, company received 844,300 ordinary shares of face value USD 0.01 per share of Bidorbuy.com Inc. against the syndication fees of Rs. 410,668 receivable for facilitating business arrangement between Bidorbuy.com Inc. and Baazee.com.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST OCTOBER, 2002 AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE “Q” (contd.)

Further, in the absence of adequate information on the fair value of the investment of Rs. 28,126,382 (previous period Rs. 27,715,714) 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 of Rs. 28,126,382 (including Rs. 27,715,714 provided in the previous period) by taking a charge of Rs. 410,668 to the Profit and Loss Account in the current year.

- e) 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 and related services - Include retail purchase and sale of foreign currencies and paid documents, tour operations and travel management.

Business Segment Particulars	Year ended 31st October, 2002				Period ended 31st October, 2001			
	Financial services	Travel & related services	Others	Consolidated total	Financial services	Travel & related services	Others	Consolidated total
1. Segment Revenue	278,687,974	717,934,054	31,052,761	1,027,674,789	145,933,700	578,304,300	29,844,347	754,082,347
Less : Inter Segment Revenue	—	1,832,143	2,451,614	4,283,757	—	1,483,000	2,867,000	4,350,000
Net Revenue from operations	278,687,974	716,101,911	28,601,147	1,023,391,032	145,933,700	576,821,300	26,977,347	749,732,347
2. Segment Results	169,496,965	312,056,899	4,514,215	486,068,079	86,328,500	236,935,830	2,794,921	326,059,251
Less : Interest				27,393,488				11,114,000
Other common expenses				148,740,266				125,129,000
Diminution in value of investments				—				27,715,714
Total Profit / (Loss) before tax				309,934,325				162,100,537
3. Capital Employed (Segment Assets less Segment Liabilities)								
Segment Assets	482,676,109	1,053,554,473	31,358,328	1,567,588,910	399,737,860	872,299,140	31,767,000	1,303,804,000
Add : Common Assets				329,306,505				320,016,232
Total Assets				1,896,895,415				1,623,820,232
Segment Liabilities	117,959,812	338,458,271	13,557,790	469,975,873	79,984,270	248,657,730	19,431,000	348,073,000
Add : Common Liabilities				356,535,009				358,371,006
Total Liabilities				826,510,882				706,444,006
Segment Capital Employed	364,716,297	715,096,202	17,800,538	1,097,613,037	319,753,590	623,641,410	12,336,000	955,731,000
Add : Common Capital Employed				(27,228,504)				(38,354,774)
Total Capital Employed				1,070,384,533				917,376,226
4. Capital Expenditure	5,634,641	22,715,664	920,314	29,270,619	5,991,000	36,128,000	1,776,000	43,895,000
Add : Common Capital Expenditure				6,871,445				7,416,934
				36,142,064				51,311,934
5. Depreciation and Amortisation	7,479,899	29,808,902	955,814	38,244,615	9,382,000	18,272,000	3,789,000	31,443,000
Add : Common depreciation and amortisation				16,775,187				15,999,193
				55,019,802				47,442,193
6. Significant non cash expenditure	934,490	10,392,059	237,277	11,563,826	1,110,000	3,517,000	10,414,000	15,041,000
Add : Common non cash expenditure				1,065,436				28,261,892
				12,629,262				43,302,892
Geographic Segment Particulars	India	Rest of the world		Consolidated total	India	Rest of the world		Consolidated total
7. Segment Revenue	959,390,071	64,000,961		1,023,391,032	710,843,289	38,889,058		749,732,347
8. Segment Assets	1,434,515,362	133,073,548		1,567,588,910	1,164,934,702	138,869,298		1,303,804,000
Add : Common Assets				329,306,505				320,016,232
Total Assets				1,896,895,415				1,623,820,232
9. Capital Expenditure	28,225,327	1,045,292		29,270,619	41,747,000	2,148,000		43,895,000
Add : Common Capital Expenditure				6,871,445				7,416,934
				36,142,064				51,311,934

**NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS
AT 31ST OCTOBER, 2002 AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR
THE YEAR ENDED ON THAT DATE**

SCHEDULE "Q" (contd.)

f) Earnings Per Share :		
Particulars	Year ended 31 st October, 2002 Rs.	Period ended 31 st October, 2001 Rs.
Basic and Diluted Earnings Per Share	13.63	6.06

Earnings per share is calculated by dividing the profit attributable to the Equity Shareholders by the weighted average number of Equity Shares outstanding during the year. The numbers used in calculating basic and diluted earnings are stated below :

Particulars	Year ended 31 st October, 2002	Period ended 31 st October, 2001
Profit After Taxation (Rs.)	198,792,666	88,319,431
Weighted Average Number Of Shares Outstanding during the year (Nos)	14,583,333	14,583,333

g) Related Party Transactions

i) Relationships :

a. Holding company :

Thomas Cook Overseas Limited, UK (TCOL) holds 60% equity shares in the company. Thomas Cook UK Limited, the holding company of TCOL, is a subsidiary of Eurocenter Teteiligungs – und Reisevermittlung GmbH (Eurocenter), Germany who in turn is subsidiary of Thomas Cook AG, Germany.

b. Subsidiaries of the company :

Hindustan Cargo Limited,
Thomas Cook Insurance Services (India) Limited {formerly India Alive Tours Limited},
Indian Horizon Travel and Tours Limited*,
Thomas Cook Tours Limited*,
Thomas Cook (Mauritius) Holding Company Limited {formerly TC (Mauritius) Holding Company Limited}* and
Thomas Cook (Mauritius) Operations Company Limited {formerly TC (Mauritius) Operations Company Limited}

(*no transactions during the year)

c. Fellow subsidiaries (where transactions exist) :

JMC Holidays Limited, UK
NUR Touristic GmbH, Germany

d. Executive Directors and Executive Committee members :

Mr. A. M. Kakkar
Mr. Madhavan Menon
Mr. P. Sreekumar
Mr. R. R. Kenkare
Mr. Aashutosh Akshikar
Mr. Sunil Gupta
Mr. S. Herwadkar
Mr. Anil Nadkarni
Mr. Parag Paranjpe
Mr. Prakash Asnani

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST OCTOBER, 2002 AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE "Q" (contd.)

e. Relatives of Directors and Executive Committee members :

Mr. M. V. Kakkar
Ms. Usha Sreekumar
Ms. Mugdha Herwadkar

ii) The following transactions were carried out with the related parties in the ordinary course of business :

a. Details relating to parties referred to in (a) and (c) above :

Particulars	Holding company Rs.	Fellow Subsidiaries Rs.
Sale of services	1,509,200	186,078,077*
Name license fees	8,867,534	—
Outstanding receivables	1,509,200	—
Advance received	—	24,702,812
* Sale value of transactions		

b. Details relating to parties referred to in (d) above :

Particulars	Rs.
Remuneration	29,814,360

c. Details relating to parties referred to in (e) above :

Particulars	Rs.
Rent paid for residential flat	600,000
Outstanding residential deposit receivable	41,000,000

- h) The Company has entered into lease arrangements for office and residential premises. These lease agreements are for a period of six months to ninety years and are cancellable at the option of either party by giving one month to three months notice.

Lease payments recognised in the Profit and Loss Account Rs. 42,741,401 (previous period Rs. 26,784,182).

- i) The tax year for the Indian companies being the year ending 31st March, the provision for taxation for the year is the aggregate of the provision made for the five months ended 31st March, 2002 and the provision based on the figures for the remaining seven months upto 31st October, 2002, the ultimate tax liability of which will be determined on the basis of the figures for the period 1st April, 2002 to 31st March, 2003.

- j) The figures of previous period have been regrouped wherever necessary.

- k) The figures for the current year are not comparable with those of the previous period as previous period figures are for a period of ten months from January to October 2001 as against twelve months for the current year.

Signatures to Schedules "A" to "Q"

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, 5th December, 2002

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST OCTOBER, 2002

	Rs.	2002 Rs.	Rs.	2001 Rs.
A CASH FLOW FROM OPERATING ACTIVITIES :				
NET PROFIT BEFORE TAX		309,934,325		162,100,537
Adjustments for :				
Depreciation	55,019,802		47,442,193	
Interest on tax refunds	(945,576)		(3,490,511)	
Reversal of excess interest accrued on tax refund	3,518,515		—	
Interest income	(6,658,355)		(5,946,773)	
Unrealised exchange fluctuation	(271,173)		3,071,249	
Profit on sale of fixed assets	(961,484)		(223,844)	
Loss on sale of fixed assets	1,634,346		381,870	
Interest expense	27,393,488		11,114,413	
Start up cost of new businesses (net of payments)	2,338,612		7,929,804	
Diminution in the value of Investment	410,668		27,715,714	
		<u>81,478,843</u>		<u>87,994,115</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		391,413,168		250,094,652
Adjustments for :				
Trade and other receivables	(126,942,286)		211,055,575	
Trade payable / provisions	138,241,630		(222,837,594)	
		<u>11,299,344</u>		<u>(11,782,019)</u>
CASH GENERATED FROM OPERATIONS		402,712,512		238,312,633
Interest paid	(28,577,350)		(9,869,756)	
Interest received on tax refund	3,514,477		5,724,835	
Interest received	6,604,278		6,307,790	
Direct taxes paid-net of refund	(129,061,655)		(41,217,308)	
		<u>(147,520,250)</u>		<u>(39,054,439)</u>
NET CASH FROM / (USED) IN OPERATING ACTIVITIES		<u>255,192,262</u>		<u>199,258,194</u>
B CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of fixed assets / goodwill	(54,482,632)		(49,153,313)	
Sale of fixed assets	2,929,236		903,735	
Decrease/(Increase) in Investments	(373,323)		16,884,106	
Dividend received	—		—	
NET CASH USED IN INVESTING ACTIVITIES		<u>(51,926,719)</u>		<u>(31,365,472)</u>
C CASH FLOW FROM FINANCING ACTIVITIES				
(Decrease)/Increase in borrowings	(12,038,640)		(289,016,553)	
Dividend paid	(40,833,332)		(48,125,000)	
NET CASH USED IN FINANCING ACTIVITIES		<u>(52,871,972)</u>		<u>(337,141,553)</u>
NET (DECREASE) / INCREASE IN CASH OR CASH EQUIVALENT (A+B+C)		<u>150,393,571</u>		<u>(169,248,831)</u>
Cash and cash equivalent as at 1st November (Previous period 1st January, 2001)		540,158,371		709,407,202
Cash and cash equivalent as at 31st October		<u>690,551,942</u>		<u>540,158,371</u>
NET (DECREASE) / INCREASE AS DISCLOSED ABOVE		<u>150,393,571</u>		<u>(169,248,831)</u>

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

A. M. KAKKAR
CHIEF EXECUTIVE OFFICER
& MANAGING DIRECTOR

Mumbai, 5th December, 2002

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, 2002 and the relative Profit and Loss Account for the year ended on that date, both of which we have signed under reference to this report. These financial statements are the responsibility of the management of the company. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988, issued by the Central Government of India in terms of section 227(4A) of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks as we considered appropriate and according to the information and explanations

given to us, we set out in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that :

- (a) 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;

- (b) 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;

- (c) The report on the accounts of the Sri Lanka branch audited by the branch auditors has been forwarded to us and has been dealt with by us in preparing this report;

- (d) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;

- (e) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report have been prepared in compliance with the applicable accounting standards referred to in section 211(3C) of the Act;

- (f) On the basis of written representations received from the directors, as on 31st October, 2002, and taken on record by the Board of Directors of the company, none of the directors is disqualified as on 31st October, 2002 from being appointed as a director in terms of section 274(1)(g) of the Act;

- (g) In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and Profit and Loss Account together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of affairs of the company as at 31st October, 2002;

and

- (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date.

Sharmila A. Karve
Partner
For and on behalf of
Lovell & Lewes
Chartered Accountants

Mumbai, 5th December, 2002

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 thereof)

1. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. All the 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.
2. None of the fixed assets have been revalued during the year.
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 Act. In terms of section 370(6) of the Act, provisions of the section are not applicable to a company on or after 31st October, 1998.
4. The company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under section 301 of the Act. In terms of section 370(6) of the Act, provisions of the section are not applicable to a company on or after 31st October, 1998.
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 has given interest free loans and advances to subsidiary companies where no stipulation has been made for the recovery of the principal amount.

6. In our opinion, 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 Act 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 Act or the rules framed thereunder would apply.
9. In our opinion, the company's internal audit system is commensurate with its size and the nature of its business.
10. The company has regularly deposited, during the year, the Provident Fund and Employees' State Insurance dues with the appropriate authorities.
11. At the last day of the financial year, there were no undisputed amounts outstanding in respect of income-tax, wealth tax, sales tax and customs duty which were due for 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 in India, we have not come across any personal expenses which

have been charged to Profit and Loss Account nor have we been informed of such case by the management other than those payable under contractual obligations and/or in accordance with generally accepted business practices.

13. The company is not a sick industrial company within the meaning of section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985 of India.
14. 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 man-hours consumed to the relative jobs does not arise. Consequently, the authorisation and control on the issue of stores and allocation of stores and labour to jobs are not applicable.
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), paragraph 4(C) and paragraph 4(D) are not applicable to the company for the current year.

Sharmila A. Karve
Partner
For and on behalf of
Lovell & Lewes
Chartered Accountants

Mumbai, 5th December, 2002

BALANCE SHEET AS AT 31ST OCTOBER, 2002

	Schedule	As at 31st October, 2002 Rs.	As at 31st October, 2001 Rs.
I. SOURCES OF FUNDS :			
SHAREHOLDERS' FUNDS :			
Capital	A	145,833,330	145,833,330
Reserves and surplus	B	913,951,880	768,841,145
		<u>1,059,785,210</u>	<u>914,674,475</u>
LOAN FUNDS :			
Secured loans	C	111,555,811	205,878,538
Unsecured loans	D	130,999,618	45,728,966
		<u>242,555,429</u>	<u>251,607,504</u>
		<u>1,302,340,639</u>	<u>1,166,281,979</u>
II. APPLICATION OF FUNDS :			
FIXED ASSETS :			
Gross block	E	699,418,870	683,591,890
Less : Depreciation		<u>276,218,148</u>	<u>238,387,943</u>
Net block		423,200,722	445,203,947
Advances for capital expenditure		<u>22,719,224</u>	<u>4,378,656</u>
		<u>445,919,946</u>	<u>449,582,603</u>
INVESTMENTS	F	30,236,286	29,773,721
CURRENT ASSETS, LOANS AND ADVANCES :			
Sundry debtors	G	470,913,098	337,849,704
Cash and bank balances	H	635,328,995	514,205,481
Loans and advances	I	264,598,333	263,979,565
		<u>1,370,840,426</u>	<u>1,116,034,750</u>
LESS : CURRENT LIABILITIES AND PROVISIONS :			
Liabilities	J	439,813,089	315,750,189
Provisions	K	<u>57,250,202</u>	<u>59,125,374</u>
		<u>497,063,291</u>	<u>374,875,563</u>
NET CURRENT ASSETS		<u>873,777,135</u>	<u>741,159,187</u>
DEFERRED TAX LIABILITY	L	<u>(49,552,262)</u>	<u>(58,484,513)</u>
MISCELLANEOUS EXPENDITURE			
(to the extent not written off or adjusted)			
Startup costs for new businesses		<u>1,959,534</u>	<u>4,250,981</u>
		<u>1,302,340,639</u>	<u>1,166,281,979</u>

Notes to the accounts

Q

Schedules "A" to "L" and "Q" referred to above form an integral part of the Balance Sheet

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

Sharmila A. Karve Partner For and on behalf of 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 P. SREEKUMAR - EXECUTIVE DIRECTOR - FINANCE M. MENON - EXECUTIVE DIRECTOR-FOREIGN EXCHANGE R. R. KENKARE - HEAD OF LEGAL & COMPANY SECRETARY
Mumbai, 5th December, 2002	Mumbai, 5th December, 2002

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST OCTOBER, 2002

	Schedule	Year ended 31st October, 2002 Rs.	Period ended 31st October, 2001 Rs.
INCOME :			
Turnover		981,248,729	712,596,481
Other income	M	27,318,018	31,350,567
		<u>1,008,566,747</u>	<u>743,947,048</u>
EXPENDITURE :			
Personnel expenses	N	239,558,758	178,988,545
Advertisement and business promotional expenses		61,622,242	58,093,325
Interest expenses	O	27,393,488	11,114,413
Other expenses	P	322,199,974	248,899,788
Amortisation of startup cost		2,407,068	10,705,406
Depreciation	E	53,390,879	46,125,089
Diminution in the value of investment [Refer Note 2(d) in schedule "Q"]		410,668	27,715,714
		<u>706,983,077</u>	<u>581,642,280</u>
Profit before taxation		301,583,670	162,304,768
Provision for taxation			
Current tax (including for earlier year Rs. 3,280,186, previous period Rs.Nil)		117,280,186	68,211,356
Deferred tax		(8,932,251)	2,892,650
Profit after taxation		<u>193,235,735</u>	<u>91,200,762</u>
Transferred from reserve as required under section 80HHD of the Income-tax Act, 1961		17,500,000	17,500,000
Transferred to reserve as required under section 80HHD of the Income-tax Act, 1961		15,000,000	17,500,000
		<u>195,735,735</u>	<u>91,200,762</u>
Balance brought forward from last year		86,260,283	43,210,429
Amount available for appropriations		<u>281,996,018</u>	<u>134,411,191</u>
Less : Appropriations			
Proposed dividend		48,125,000	40,833,332
Corporate dividend tax		—	(1,802,500)
(previous period: net of provision Rs. 5,967,500 written back)			
Transferred to general reserve		19,323,574	9,120,076
Balance carried to balance sheet		<u>214,547,444</u>	<u>86,260,283</u>
Basic and Diluted Earning Per Share [Refer note 2(f) in schedule "Q"]		13.25	6.25
Notes to the accounts	Q		
Schedules "E", "M" to "P" and "Q" 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

Sharmila A. Karve Partner For and on behalf of 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 P. SREEKUMAR - EXECUTIVE DIRECTOR - FINANCE M. MENON - EXECUTIVE DIRECTOR-FOREIGN EXCHANGE R. R. KENKARE - HEAD OF LEGAL & COMPANY SECRETARY
Mumbai, 5th December, 2002	Mumbai, 5th December, 2002

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST OCTOBER, 2002

	Rs.	As at 31st October, 2002 Rs.	As at 31st October, 2001 Rs.
SCHEDULE "A" : CAPITAL :			
Authorised :			
20,000,000 Equity shares of Rs.10/- each		200,000,000	200,000,000
Issued and subscribed :			
14,583,333 Equity shares of Rs.10/- each fully paid-up		145,833,330	145,833,330
1) of the above, 279,993 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 13,883,333 Equity shares issued as fully paid-up bonus shares by capitalisation of general reserve and capital reserve			
3) of the above 8,750,000 Equity shares of Rs. 10/- each are held by the holding company Thomas Cook Overseas Limited, U.K.			
SCHEDULE "B" : RESERVES AND SURPLUS :			
Reserve as required under Section 80HHHD of the Income-tax Act, 1961 :			
Balance as per last Balance Sheet	108,500,000		108,500,000
Add : Transferred from Profit and Loss Account	15,000,000		17,500,000
	123,500,000		126,000,000
Less : Transferred to Profit and Loss Account	17,500,000		17,500,000
		106,000,000	108,500,000
General reserve :			
Balance as per last Balance Sheet	574,080,862		620,552,649
Less : Deferred tax liability as at start of the year	—		55,591,863
	574,080,862		564,960,786
Add : Transferred from Profit and Loss Account	19,323,574		9,120,076
		593,404,436	574,080,862
Profit and Loss Account		214,547,444	86,260,283
		913,951,880	768,841,145
SCHEDULE "C" : SECURED LOANS :			
Overdraft from banks		111,555,811	205,878,538
(Secured by hypothecation of book debts, stock of currencies and paid documents)			
		111,555,811	205,878,538
SCHEDULE "D" : UNSECURED LOANS :			
Commercial paper		100,000,000	—
(payable within one year Rs. 100,000,000/-, previous period Rs. Nil)			
From Deutsche Bank AG, Frankfurt, Germany		—	9,133,770
(temporary overdraft in normal course of business)			
From Deutsche Bank AG, London		26,791,515	—
(temporary overdraft in normal course of business)			
From ANZ Bank, Australia		3,942,266	—
(temporary overdraft in normal course of business)			
From ANZ Bank, New Zealand		265,837	—
(temporary overdraft in normal course of business)			
From Westpack Bank, Sydney		—	1,614,147
(temporary overdraft in normal course of business)			
From Credit Suisse, Zurich		—	2,630,148
(temporary overdraft in normal course of business)			
From HSBC, London		—	31,569,793
(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, Sri Lanka		—	693,310
(temporary overdraft in normal course of business)			
		130,999,618	45,728,966

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST OCTOBER, 2002

SCHEDULE "E" : FIXED ASSETS :

	GROSS BLOCK — AT COST				DEPRECIATION				NET BLOCK	
Details	<i>As at 1st November, 2001 Rs.</i>	<i>Additions during the year Rs.</i>	<i>Disposal/ Adjust- ments Rs.</i>	<i>As at 31st October, 2002 Rs.</i>	<i>As at 1st November, 2001 Rs.</i>	<i>For the year Rs.</i>	<i>On Deduc- tions Rs.</i>	<i>As at 31st October, 2002 Rs.</i>	<i>As at 31st October, 2002 Rs.</i>	<i>As at 31st October, 2001 Rs.</i>
Goodwill	8,831,169	—	—	8,831,169	3,238,096	1,772,700	—	5,010,796	3,820,373	5,593,073
Leasehold Properties	23,014,187	—	—	23,014,187	22,499,227	6,330	—	22,505,557	508,630	514,960
Freehold Premises #	247,681,582	5,731,350	—	253,412,932	22,680,976	4,070,483	—	26,751,459	226,661,473	225,000,606
Strong Room	674,425	—	—	674,425	465,037	30,454	—	495,491	178,934	209,388
Furniture and fixtures	105,143,893	5,561,793	1,435,954	109,269,732	35,660,047	6,920,504	535,129	42,045,422	67,224,310	69,483,846
Computers	163,830,473	15,044,539	9,862,687	169,012,325	118,139,203	28,695,644	9,685,408	137,149,439	31,862,886	45,691,270
Office Equipment	90,401,713	3,638,571	1,274,214	92,766,070	20,140,752	5,478,864	533,798	25,085,818	67,680,252	70,260,961
Vehicles	44,014,448	4,906,660	6,483,078	42,438,030	15,564,605	6,415,900	4,806,339	17,174,166	25,263,864	28,449,843
GRAND TOTAL	683,591,890	34,882,913	19,055,933	699,418,870	238,387,943	53,390,879	15,560,674	276,218,148	423,200,722	445,203,947
<i>Previous period</i>	<i>638,007,202</i>	<i>48,860,292</i>	<i>3,275,604</i>	<i>683,591,890</i>	<i>194,476,700</i>	<i>46,125,089</i>	<i>2,213,846</i>	<i>238,387,943</i>	<i>445,203,947</i>	

- 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. 9,629,164/- for premises on freehold land where the Company is yet to be registered as the owner of a proportionate share in land.
 - Rs. 150,186,286/- for premises where the co-operative society is yet to be formed.

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST OCTOBER, 2002

	As at 31st October, 2002 Rs.	As at 31st October, 2001 Rs.
SCHEDULE "F" : INVESTMENTS (Long-term) :		
Equity shares :		
Investments in subsidiary companies at cost (Non-trade, unquoted) :		
Thomas Cook Insurance Services (India) Limited (formerly "India Alive Tours Limited") 50,000 (previous year 9) Equity shares of Rs. 10/- each fully paid-up	500,000	90
Indian Horizon Travel and Tours Limited 9 Equity shares of Rs.10/- each fully paid-up	90	90
Thomas Cook Tours Limited 9 Equity shares of Rs.10/- each fully paid-up	90	90
Hindustan Cargo Limited 250,000 Equity shares of Rs.10/- each fully paid-up	2,500,000	2,500,000
Investments in subsidiary company at cost (Trade, unquoted) :		
Thomas Cook (Mauritius) Holding Company Limited (formerly "TC (Mauritius) Holding Company Limited") 590,000 Equity shares of USD 1/- each fully paid-up	25,729,900	25,729,900
	28,730,080	28,230,170
Investment in other companies at cost (Trade, quoted) :		
Tangerine Beach Hotel Limited. 196,831 Ordinary shares of SLR 10/- each fully paid-up	1,279,624	1,279,624
Investment in other companies at cost (Trade, unquoted) :		
Bidorbuy.com 1,344,300 (previous year 500,000) Ordinary shares of USD 0.01 each fully paid-up [Refer Note 2(d) in schedule "Q"]	28,126,382	27,715,714
Debentures :		
Tangerine Beach Hotel Limited. Zero coupon redeemable debentures of SLR 100/- each fully paid-up	226,582	263,927
	58,362,668	57,489,435
Less : Diminution in the value of investment [Refer Note 2(d) in schedule "Q"]	28,126,382	27,715,714
	30,236,286	29,773,721
Aggregate carrying cost of quoted investments	1,279,624	1,279,624
Aggregate carrying cost of unquoted investments	28,956,662	28,494,097
Market Value of quoted investments	2,893,416	2,047,042
SCHEDULE "G": SUNDRY DEBTORS :		
Unsecured, considered good		
Outstanding exceeding six months	21,179,516	14,199,783
Others	449,733,582	323,649,921
	470,913,098	337,849,704
Unsecured, considered doubtful		
Outstanding exceeding six months	23,101,332	16,905,950
	23,101,332	16,905,950
	494,014,430	354,755,654
Less : Provision for doubtful debts	23,101,332	16,905,950
	470,913,098	337,849,704

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST OCTOBER, 2002

	As at 31st October, 2002 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)	183,590,676	181,574,875
Remittances in transit :		
Foreign currencies - Notes and paid documents	256,721,234	182,480,110
Less : provision for lost remittances	<u>2,984,279</u>	<u>2,955,586</u>
	253,736,955	179,524,524
Balances with scheduled banks :		
On current account	135,137,609	82,996,696
On fixed deposit	<u>11,915,655</u>	<u>6,540,539</u>
	147,053,264	89,537,235
Balances with Non-scheduled banks :		
On current account with ABN Amro Bank, London (maximum balance during the year Rs.54,172,795/-, previous period Rs. 62,441,164/-)	651,942	8,620,095
On current account with Bank of New York, USA (maximum balance during the year Rs.480,422,001/-, previous period Rs. 210,439,754/-)	2,590,271	17,230,766
On current account with Bankers Trust New York, USA (maximum balance during the year Rs. 211,957,138/-, previous period Rs. 16,736,558)	2,237,053	16,736,558
On current account with Deutsche Bank AG, Frankfurt, Germany (maximum balance during the year Rs. 67,369,996/-, previous period Rs. 1,695,478/-)	5,922,725	—
On current account with HSBC, London (maximum balance during the year Rs.139,469,884/-, previous period Rs.380,013,522/-)	2,883,515	—
On current account with Westpac Bank, Sydney (maximum balance during the year Rs.61,133,789/-, previous period Rs. 29,076,904/-)	6,058,271	—
On current account with Bank of Nova Scotia, Canada (maximum balance during the year Rs.12,564,781/-, previous period Rs. Nil)	4,228,740	—
On current account with Credit Suisse, Zurich (maximum balance during the year Rs.29,807,552/-, previous period Rs. 10,474,211/-)	1,547,551	—
On current account with HSBC, Sri Lanka (maximum balance during the year Rs.7,950,408/-, previous period Rs. 8,042,063/-)	2,143,088	4,043,008
On current account with Standard Chartered Grindlays Bank, Sri Lanka (maximum balance during the year Rs.4,483,844/-, previous period Rs. 5,483,343/-)	1,154,488	1,345,332
On current account with Pan Asia Bank, Sri Lanka (maximum balance during the year Rs.1,377,605/-, previous period Rs. 2,359,046/-)	858,736	—
On current account with NDB Bank, Sri Lanka (maximum balance during the year Rs.54,986/-, previous period Rs. 102,824/-)	8,338	54,986
On current account with Hatton National Bank, Sri Lanka (maximum balance during the year Rs.2,722,901/-, previous period Rs. 647,436/-)	184,704	—
On fixed deposit account with HSBC, Sri Lanka (maximum balance during the year Rs.6,287,856/-, previous period Rs. 3,873,324/-)	5,307,746	2,177,231
On fixed deposit account with Pan Asia Bank, Sri Lanka (maximum balance during the year Rs.3,768,100/-, previous period Rs. 5,155,188/-)	1,776,887	—
On fixed deposit account with Standard Chartered Grindlays Bank, Sri Lanka (maximum balance during the year Rs.6,044,620/-, previous period Rs. 5,806,463/-)	5,324,366	5,427,611
On fixed deposit account with NDB Bank, Sri Lanka (maximum balance during the year Rs.8,069,679/-, previous period Rs. 8,973,935/-)	8,069,679	7,933,260
	<u>635,328,995</u>	<u>514,205,481</u>

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST OCTOBER, 2002

	As at 31st October, 2002 Rs.	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	248,016,839	253,630,985
Advances to subsidiary companies	6,143,488	120,860
Commercial paper	—	4,212,705
Tax payments less provisions	10,438,006	6,015,015
	<u>264,598,333</u>	<u>263,979,565</u>
SCHEDULE "J" : LIABILITIES :		
Sundry creditors – other than SSI units [Refer Note 2(e) in schedule "Q"]	375,469,348	272,827,995
Other liabilities	2,881,581	1,845,048
Purchase consideration for acquisition of Sri Lanka branch operations	4,802,000	4,802,000
Advance payment from customers for which value is still to be given (including travellers cheques, drafts and transfers unpaid)	54,586,533	34,299,191
Investor Education and Protection Fund :		
Balance in share application money and fractional entitlement on bonus shares refund accounts	136,594	137,122
Unclaimed dividends	1,937,033	1,838,833
	<u>439,813,089</u>	<u>315,750,189</u>
SCHEDULE "K" : PROVISIONS :		
Provision for Gratuity	9,125,202	14,127,042
Proposed dividend	48,125,000	40,833,332
Corporate dividend tax	—	4,165,000
	<u>57,250,202</u>	<u>59,125,374</u>
SCHEDULE "L" : DEFERRED TAX LIABILITY :		
Deferred Tax Assets :		
Provision allowable for tax purposes when paid	2,629,302	—
Provision for doubtful debts	8,489,740	6,035,424
	<u>11,119,042</u>	<u>6,035,424</u>
Deferred Tax Liability :		
On fiscal allowances on fixed assets	59,951,175	57,958,983
Provision allowable for tax purposes when paid	—	5,043,354
Start-up cost of new business amortised in the books but fully claimed in tax on incurrance	720,129	1,517,600
	<u>60,671,304</u>	<u>64,519,937</u>
	<u>(49,552,262)</u>	<u>(58,484,513)</u>

**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST OCTOBER, 2002**

	Year ended 31st October, 2002 Rs.	<i>Period ended 31st October, 2001 Rs.</i>
SCHEDULE "M" : OTHER INCOME :		
Interest on :		
Bank accounts	6,182,166	5,385,395
(tax deducted at source Rs. 526,371/-, previous period Rs. 520,431/-)		
Refund of tax	945,576	3,490,511
Others	205,211	380,197
Dividend on long term investments - from subsidiary companies	—	4,439,250
Rent	111,038	173,865
Profit on sale of fixed assets	850,107	219,597
Exchange differences (net) other than in normal course of business as foreign exchange authorised dealers	7,016,177	5,869,488
Management Fees	3,350,940	2,098,260
Miscellaneous income	8,656,803	9,294,004
	<u>27,318,018</u>	<u>31,350,567</u>
SCHEDULE "N" : PERSONNEL EXPENSES :		
Salaries, wages and bonus	153,748,691	125,113,553
Contribution to provident and other funds	16,067,713	12,902,223
Premium on/provision for gratuity-cum-life assurance policy	4,864,776	6,425,267
Staff welfare	31,600,869	23,386,998
Staff training, recruitment and other cost	5,570,650	5,192,743
Incentive/Commission to staff and directors	27,706,059	5,967,761
	<u>239,558,758</u>	<u>178,988,545</u>
SCHEDULE "O" : INTEREST EXPENSES :		
On bank overdraft	22,228,905	7,197,237
On commercial paper	5,164,583	3,917,176
	<u>27,393,488</u>	<u>11,114,413</u>

**SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST OCTOBER, 2002**

	Year ended 31st October, 2002 Rs.	<i>Period ended 31st October, 2001 Rs.</i>
SCHEDULE "P" : OTHER EXPENSES :		
Rent	36,426,606	21,254,753
Rates and taxes	1,969,617	2,341,890
Insurance	10,185,613	5,242,680
Repairs – Building	165,451	187,848
– Others	28,170,543	17,198,913
Electricity	16,717,887	14,050,258
Printing and stationery	16,612,914	15,123,909
Postage, telegrams, telex and telephones	35,310,041	38,454,588
Freight currency shipment	12,309,026	10,214,918
Legal and professional fees	14,779,866	15,434,983
Statutory Auditors' remuneration :		
Audit fees	472,500	472,500
Reports under various sections of Income-tax Act, 1961	971,250	721,875
Miscellaneous Reports	314,300	694,064
Reimbursement of out-of-pocket expenses	81,423	52,587
Branch Auditors' remuneration :		
Branch audit fees	88,740	103,278
	1,928,213	2,044,304
Bank charges including handling charges on remittances	23,082,371	15,921,342
Travelling and subsistence	37,396,718	29,138,950
Brokerage and incentives	34,169,090	28,737,773
Directors' fees	267,500	281,000
Security services	6,752,364	5,727,252
Motor car running expenses	8,827,905	7,216,135
Name licence fee	8,867,534	6,242,670
Miscellaneous expenses	13,964,527	8,911,422
Provision for bad and doubtful debts (net)	6,245,890	2,588,560
Bad and doubtful debt written off	2,868,744	2,061,687
Provision for remittances lost in transit	28,693	142,083
Reversal of excess interest accrued on tax refund	3,518,515	—
Loss on fixed assets sold/scrapped	1,634,346	381,870
	<u>322,199,974</u>	<u>248,899,788</u>

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST OCTOBER, 2002 AND THE PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED ON THAT DATE**

SCHEDULE "Q"

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 determined on the basis of useful life of fixed assets are as follows :

Type of Asset	Rate of Depreciation
Computers	25%
Office Equipment :	
VSAT & Communication Router	10%
Vehicles	15%

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 amortized 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 recognized 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.

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST OCTOBER, 2002 AND THE PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED ON THAT DATE**

SCHEDULE "Q" (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 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 is recognized at the time of Purchase and Sale.

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

Revenue from other income is accounted on accrual basis.

h) Start up costs of new businesses :

All costs in relation to new businesses are amortised over a period of three 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) Taxes on Income :

Current tax is determined as the amount of tax payable in respect of taxable income for the year.

Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent years.

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST OCTOBER, 2002 AND THE PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED ON THAT DATE**

SCHEDULE "Q" (contd)

2. NOTES TO ACCOUNTS

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances, Rs. 29,306,693 (previous period; Rs. 31,161,128).
- b) Contingent liabilities :
- i) Claims against the company not acknowledged as debts Rs. 3,181,250 (previous period Rs. 3,181,250).
- ii) Disputed income-tax demand Rs. 18,533,792 (previous period Rs. 18,533,792).
- iii) Disputed demand for increase in rent raised by BrihanMumbai Municipal Corporation Rs.10,585,667 (previous period Rs. Nil).
- 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 500,000 ordinary shares of par value USD 0.01 per share at USD 2 per share aggregating to USD 1,000,000 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 500,000 on 23rd May, 2000 being consideration for 250,000 ordinary shares. Purchase consideration for balance 250,000 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.22,500,000 equivalent to USD 500,000. The actual cost incurred on the advertisement was Rs. 5,615,714. 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 was reduced from the carrying cost of the investment.

During the year, company received 844,300 ordinary shares of face value USD 0.01 per share of Bidorbuy.com Inc. against the syndication fees of Rs. 410,668 receivable for facilitating business arrangement between Bidorbuy.com Inc. and Baazee.com.

Further, in the absence of adequate information on the fair value of the investment of Rs. 28,126,382 (previous period Rs. 27,715,714) 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 of Rs. 28,126,382 (including Rs. 27,715,714 provided in the previous period) by taking a charge of Rs. 410,668 to the Profit and Loss Account in the current year.

- e) Sundry creditors include book overdraft of Rs. 1,599,183 (previous period Rs. 119,124).

- f) Earnings Per Share :

Particulars	Year ended 31st October, 2002 Rs.	Period ended 31st October, 2001 Rs.
Basic and Diluted Earnings Per Share	13.25	6.25

Earnings Per Share is calculated by dividing the profit attributable to the Equity Shareholders by the weighted average number of Equity Shares outstanding during the year. The numbers used in calculating basic and diluted earnings are stated below :

Particulars	Year ended 31st October, 2002	Period ended 31st October, 2001
Profit after taxation (Rs.)	193,235,735	91,200,762
Weighted average number of shares outstanding during the year (Nos)	14,583,333	14,583,333

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST OCTOBER, 2002 AND THE PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED ON THAT DATE**

SCHEDULE "Q" (contd.)

g) Related Party Transactions :

i) Relationships :

a. Holding company :

Thomas Cook Overseas Limited, UK (TCOL) holds 60% equity shares in the company. Thomas Cook UK Limited, the holding company of TCOL, is a subsidiary of Eurocenter Teteiligungs – und Reisevermittlung GmbH (Eurocenter), Germany who in turn is subsidiary of Thomas Cook AG, Germany.

b. Subsidiaries of the company :

Hindustan Cargo Limited,

Thomas Cook Insurance Services (India) Limited {formerly India Alive Tours Limited},

Indian Horizon Travel and Tours Limited*,

Thomas Cook Tours Limited*,

Thomas Cook (Mauritius) Holding Company Limited {formerly TC (Mauritius) Holding Company Limited}* and

Thomas Cook (Mauritius) Operations Company Limited {formerly TC (Mauritius) Operations Company Limited}.

(*no transactions during the year)

c. Fellow subsidiaries (where transactions exist) :

JMC Holidays Limited, UK

NUR Touristic GmbH, Germany

d. Executive Directors and Executive Committee members :

Mr. A. M. Kakkar

Mr. Madhavan Menon

Mr. P. Sreekumar

Mr. R. R. Kenkare

Mr. Aashutosh Akshikar

Mr. Sunil Gupta

Mr. S. Herwadkar

Mr. Anil Nadkarni

Mr. Parag Paranjpe

e. Relatives of Directors and Executive Committee members :

Mr. M. V. Kakkar

Ms. Usha Sreekumar

Ms. Mugdha Herwadkar

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST OCTOBER, 2002 AND THE PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED ON THAT DATE**

SCHEDULE "Q" (contd.)

ii) The following transactions were carried out with the related parties in the ordinary course of business :

a. Details relating to parties referred to in (a), (b) and (c) above :

Particulars	Holding company	Subsidiaries	Fellow Subsidiaries
	Rs.	Rs.	Rs.
Sale of services	1,509,200	2,185,842	186,078,077*
Export of Foreign Currencies	—	903,742,407*	—
Receiving of services	—	2,451,614	—
Name License fees paid	8,867,534	—	—
Subscription to share capital	—	499,910	—
Outstanding receivables	1,509,200	—	—
Current Account receivables	—	6,143,488	—
Advance received	—	—	24,702,812

* Sales value of transactions

b. Details relating to parties referred to in (d) above :

Particulars	Rs.
Remuneration	28,789,430

c. Details relating to parties referred to in (e) above :

Particulars	Rs.
Rent paid for residential flat	600,000
Outstanding residential deposit receivable	41,000,000

h) The company has entered into lease arrangements for office and residential premises. These lease agreements are for a period of six months to ninety years and are cancellable at the option of either party by giving one month to three months notice.

Lease payments recognized in the Profit and Loss Account Rs. 40,870,431 (previous period Rs. 25,079,074).

i) The tax year for the company being the year ending 31st March, the provision for taxation for the year is the aggregate of the provision made for the five months ended 31st March, 2002 and the provision based on the figures for the remaining seven months upto 31st October, 2002, the ultimate tax liability of which will be determined on the basis of the figures for the period 1st April, 2002 to 31st March, 2003.

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST OCTOBER, 2002 AND THE PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED ON THAT DATE**

	Year ended 31st October, 2002 Rs.	Period ended 31st October, 2001 Rs.
SCHEDULE "Q" (contd.)		
j. Managerial Remuneration under section 198 of the Companies Act, 1956 :		
Whole-time directors (excluding gratuity contributed for the company as a whole)		
Salaries	4,961,100	3,130,150
House Rent Allowance/Perquisite	1,980,000	1,580,000
Commission	5,426,393	2,747,028
Contribution to provident and other funds	1,339,497	845,141
Perquisites in cash and in kind	5,324,793	3,205,775
	<u>19,031,783</u>	<u>11,508,094</u>
Commission to non-executive directors	1,268,507	981,081
	<u>20,300,290</u>	<u>12,489,175</u>
Directors' fees	267,500	281,000
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	301,583,669	162,304,768
Remuneration to directors	20,300,290	12,489,175
Directors' fees	267,500	281,000
Depreciation per accounts	53,390,879	46,125,089
Loss on fixed assets sold/scrapped per accounts	1,634,346	381,870
Net profit on fixed assets sold/scrapped as per section 350	740,212	95,782
	<u>377,916,896</u>	<u>221,677,684</u>
Less :		
Depreciation as per section 350	39,793,734	34,152,953
Net loss on fixed assets sold/scrapped as per section 350	1,699,407	441,805
Profit on sale of fixed assets per accounts	850,107	219,597
	<u>42,343,248</u>	<u>34,814,355</u>
Net Profit	<u>335,573,648</u>	<u>186,863,329</u>
Commission to non-executive directors @ 1%	3,355,736	1,868,633
Commission to executive directors @ 10%	33,557,365	18,686,333
Commission payable to directors; restricted by the Board of Directors to	<u>6,694,900</u>	<u>3,728,109</u>
k. Expenditure in foreign currency :		
Interest and bank charges	19,862,859	8,809,464
Professional fees	168,389	92,717
Travelling, subscription and others	18,928,427	11,810,574

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST OCTOBER, 2002 AND THE PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED ON THAT DATE**

		Year ended 31st October, 2002 Rs.	Period ended 31st October, 2001 Rs.
SCHEDULE "Q" (contd.)			
l. 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		
8,750,000	31st October, 2001	24,500,000	—
5,833,333	31st December, 2000	—	19,250,000
m. 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		2,429,521	2,228,074
Communication charges		247,047	350,914
Receipts from independent tours and travel		335,986,377	97,648,945
Commission on travellers cheques		3,740,703	6,361,460
Management fees		3,350,940	2,098,260
Dividend		—	1,439,250
Incentive on exports volume		1,378,800	—

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST OCTOBER, 2002 AND THE PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED ON THAT DATE**

SCHEDULE “Q” (contd.)

- n) 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
Balance Sheet Date	3	1	1	0	2	0	0	2			
	Date		Month		Year						

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

Public Issue	-	-	-	N	I	L	-	-	-		
Bonus Issue	-	-	-	N	I	L	-	-	-		
Rights Issue	-	-	-	N	I	L	-	-	-		
Private Placement	-	-	-	N	I	L	-	-	-		

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

Total Liabilities*	-	-	1	8	4	8	9	5	6		
Total Assets**	-	-	1	8	4	8	9	5	6		

* includes current liabilities and deferred tax liability

** includes current assets

Sources of Funds

Paid-up Capital	-	-	-	1	4	5	8	3	3		
Secured Loans	-	-	-	1	1	1	5	5	6		
Reserves and Surplus	-	-	-	9	1	3	9	5	2		
Unsecured Loans	-	-	-	1	3	1	0	0	0		

Application of Funds

Net Fixed Assets	-	-	-	4	4	5	9	2	0		
Investments	-	-	-	-	3	0	2	3	6		
Net Current Assets*	-	-	-	8	2	4	2	2	5		
Miscellaneous Expenditure	-	-	-	-	-	1	9	6	0		

* net of deferred tax liability

Accumulated Losses	-	-	-	N	I	L	-	-	-		
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NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST OCTOBER, 2002 AND THE PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED ON THAT DATE

SCHEDULE “Q” (contd.)

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

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

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 -

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

Signatures to Schedules “A” to “Q”
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, 5th December, 2002.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST OCTOBER, 2002

(Pursuant to the Listing Agreement with Stock Exchanges)

	Rs.	2002 Rs.	Rs.	2001 Rs.
A CASH FLOW FROM OPERATING ACTIVITIES :				
NET PROFIT BEFORE TAX		301,583,670		162,304,768
Adjustments for :				
Depreciation	53,390,879		46,125,089	
Interest on tax refunds	(945,576)		(3,490,511)	
Reversal of excess interest accrued on tax refund	3,518,515		—	
Interest income	(6,387,377)		(5,765,592)	
Unrealised exchange fluctuation	(271,173)		(249,059)	
Dividend income	—		(4,439,250)	
Profit on sale of fixed assets	(850,107)		(219,597)	
Loss on sale of fixed assets	1,634,346		381,870	
Interest expense	27,393,488		11,114,413	
Start up cost of new businesses (net of payments)	2,291,447		7,929,804	
Diminution in the value of Investment	410,668		27,715,714	
		80,185,110		79,102,881
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		381,768,780		241,407,649
Adjustments for :				
Trade and other receivables	(136,459,275)		147,154,845	
Trade payable/provisions	120,244,922		(131,996,508)	
		(16,214,353)		15,158,337
CASH GENERATED FROM OPERATIONS		365,554,427		256,565,986
Interest paid	(28,577,350)		(9,869,756)	
Interest received on tax refund	3,514,477		5,724,835	
Interest received	6,331,988		6,135,419	
Direct taxes paid-net of refund	(125,868,177)		(37,474,435)	
		(144,599,062)		(35,483,937)
NET CASH FROM / (USED) IN OPERATING ACTIVITIES		220,955,365		221,082,049
B CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of fixed assets	(53,223,481)		(46,701,671)	
Sale of fixed assets	2,711,020		899,485	
Decrease/(Increase) in Investments	(873,233)		16,884,106	
Dividend received	1,439,250		3,000,000	
NET CASH USED IN INVESTING ACTIVITIES		(49,946,444)		(25,918,080)
C CASH FLOW FROM FINANCING ACTIVITIES				
(Decrease)/Increase in borrowings	(9,052,075)		(292,075,145)	
Dividend paid	(40,833,332)		(48,125,000)	
NET CASH USED IN FINANCING ACTIVITIES		(49,885,407)		(340,200,145)
NET (DECREASE) / INCREASE IN CASH OR CASH EQUIVALENT (A+B+C)		121,123,514		(145,036,176)
Cash and cash equivalent as at 1st November (Previous period 1st January, 2001)		514,205,481		659,241,657
Cash and cash equivalent as at 31st October		635,328,995		514,205,481
NET (DECREASE)/INCREASE		121,123,514		(145,036,176)

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
A. M. KAKKAR
CHIEF EXECUTIVE OFFICER
& MANAGING DIRECTOR

Mumbai, 5th December, 2002

AUDITORS' CERTIFICATE

We have examined the above cash flow statement of Thomas Cook (India) Limited for the year ended 31st October, 2002. 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 October, 2001 and 31st October, 2002.

Sharmila A. Karve
Partner
For and on behalf of
Lovelock & Lewes
Chartered Accountants

Mumbai, 5th December, 2002

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

(a) Subsidiary Companies	Hindustan Cargo Limited	Thomas Cook Tours Limited	Thomas Cook Insurance Services (India) Limited {formerly India Alive Tours Limited}	Indian Horizon Travel & Tours Limited	Thomas Cook (Mauritius) Holding Co. Limited {formerly TC (Mauritius) Holding Co. Limited}	Thomas Cook (Mauritius) Operations Co. Limited {formerly TC (Mauritius) Operations Co. Limited}
(b) Holding Company's Interest	Holding Company along with a nominee holds 250,000 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 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 590,000 shares of USD 1/- each fully paid-up	TC (Mauritius) Holding Company Ltd. along with a nominee holds 150,000 shares of MUR 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 year ended 31st October, 2002	Rs. 2,563,292		Rs. 446,093		USD (5,421)	MUR 877,981
ii) For the Subsidiary Company's previous financial years	Rs. 9,758,190				USD 712	MUR 317,403
(d) Net aggregate amount of the Subsidiary Company's profit dealt with in the Company's accounts:						
i) For the Subsidiary Company's financial year ended 31st October, 2002						
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 AND COMPANY SECRETARY

Mumbai, 5th December, 2002

DIRECTORS' REPORT

TO THE MEMBERS:

Your Directors have pleasure in presenting the Tenth Annual Report together with the Balance Sheet and Profit and Loss Account for the year ended 31st October 2002.

FINANCIAL RESULTS:

Your company has produced consistent results during the year ended 31st October 2002 despite keen competition affecting all the areas of the Company's activities and overall economic conditions.

	Nov./Oct. (2002)	Jan./Oct. (2001)
	(Amount in Rupees)	
Profit before Taxation	4,495,952	5,607,970
Provision for Taxation	1,988,784	2,300,000
Provision for deferred taxation	(56,124)	23,573
Profit after Taxation	2,563,292	3,284,397
Interim Dividend	—	3,000,000
Corporate Dividend Tax	—	306,000
Transferred to General Reserve	—	328,440

At present your Company operates through its 7 offices at Mumbai, Bangalore, New Delhi, Hyderabad, Pune, Kolkata and 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:

In order to conserve resources for the Company's future plans, the Directors do not recommend any dividend for the year under review.

GENERAL RESERVE:

Your Directors have decided not to transfer any amount to the General

Reserve. The total Reserves & Surplus now stands at Rs.12,321,482 /- as at 31st October, 2002.

DIRECTORS:

Mr Prakash Asnani resigned from the office of Managing Director of the Company effective close of business hours on 17th January, 2003. The Board takes on record its appreciation for the valuable services rendered by Mr Asnani during his tenure.

In view of the resignation of Mr Asnani as stated above, the Board of Directors at its Meeting held on 16th January, 2003, appointed Mr Kochat Narendran as an Additional Director liable to retire by rotation to take effect from 17th January, 2003. He will hold office up to the date of the ensuing Annual General Meeting of the Company and is eligible for reappointment. In accordance with Section 257 of the Companies Act, 1956, the Company has received notice in writing from a member alongwith the prescribed deposit proposing his candidature for the office of Director.

Mr Kochat Narendran has also been appointed as Managing director of the Company for a period of three years effective 17th January, 2003 subject to the consent of the Company in general meeting and requisite approval of the Central Government, if necessary.

In accordance with Article 131 of the Articles of Association, Mr. A. Kakkar retires by rotation and being eligible offers himself 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. 1,203,138/-.

During the year, the Company has incurred expenditure in foreign currency towards subscription and travel

amounting to Rs.456,687/- 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;	detecting fraud and other irregularities were taken;	The Compliance Certificate of the said Secretary in whole-time practice, is attached to this report.
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	4. The annual accounts were prepared on a going concern basis.	
	COMPLIANCE CERTIFICATE FROM PRACTICING COMPANY SECRETARY:	For and on behalf of the Board
	M/s. P. C. Shah & Co. was appointed to carry out Secretarial Audit as required U/s 383A of the Companies Act, 1956.	P.P. MADHAVJI CHAIRMAN
		Place : MUMBAI Dated : 16th January, 2003

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 year ended 31st October, 2002. 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 year:

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 is a public limited company. The restrictive clauses as provided in section 3(1)(iii) of the Companies Act, 1956 are not applicable.
4. The Board of Directors duly met 4 times on 4th December, 2001, 25th February, 2002, 29th May, 2002 and 21st August, 2002 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 10 months ended on 31st October, 2001 was held on 25th February, 2002 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.

7. No Extra Ordinary General Meeting was held during the financial year 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 was not required to make any 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 appointments of directors and additional directors have been duly made.

15. There has been no fresh appointment of managing director/wholtime director/manager during the financial year, under review. However, Mr. Prakash Asnani was appointed as the Managing Director of the Company w.e.f. 3rd January, 2001 for a period of 3 years in terms of Section 198 and 269 read with Schedule XIII to the Companies Act, 1956.

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 year 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 year.

20. There are no shares bought back by the company during the financial year.	guarantees or provided securities to other bodies corporate and consequently no entries are made in the Register kept for the purpose.	30. The company has not altered its Articles of Association during the year under scrutiny.
21. The company has not issued any redeemable preference shares/ debentures during the year and there is no redemption of preference shares.	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 year under scrutiny.	31. There was no prosecution initiated against or show cause notices received by the company during the financial year for offences under the Act.
22. There are no pending / keeping in abeyance rights to dividend, rights shares and bonus shares.	27. The company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.	32. The company has not received any amount as security from its employees during the year under certification as per provisions of section 417(1) of the Act.
23. The company has not accepted deposits within the meaning of section 58A of the Companies Act, 1956.	28. The company has not altered the provisions of the memorandum with respect to name of the company during the year under scrutiny.	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.
24. The amount borrowed by the Company from Directors, members, public, financial institutions, banks and others during the financial year ended 31st October, 2002 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.	29. The company has not altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny.	
25. The company has not made any loans and investments or given		

For P.C. SHAH & CO.
(PRADIP C. SHAH)
Practising Company
Secretary

Place: Mumbai Proprietor.
Date : 22nd November, 2002

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 Directors' Shareholdings u/s. 307.
7. Register of Investments in shares or securities not held in company's name u/s 49.
8. Common Seal Register.
9. Register of Directors' Attendance in Board Meeting.
10. Minutes Book of Annual General meetings u/s. 193.
11. Minutes Book of Board Meetings u/s. 193.
12. Register of intercorporate loans and investments u/s 372A.

For P.C. SHAH & CO.

Place: Mumbai
Date : 22nd November, 2002

(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, 2002:

1. Form No. III u/s. 187 dated 25th February, 2002 for declarations to be made u/s. 187 (C) of the Companies Act, 1956 filed with the Registrar of Companies, Maharashtra, on 22nd March, 2002.
2. Balance Sheet for the period ended 31/10/2001 filed u/s. 220 with the Registrar of Companies, Maharashtra, on 22nd March, 2002.
3. Compliance Report of M/s. P. C. Shah & Co. for the period ended 31st October, 2001, as required u/s. 383A of the Companies Act, 1956, filed with the Registrar of Companies, Maharashtra, on 22nd March, 2002.
4. Annual Return made under Schedule V to the Companies Act, 1956 in respect of AGM held on 25th February, 2002 filed with the Registrar of Companies, Maharashtra on 15th April, 2002.
5. Form No. 29 dated 25th February, 2002 consent to act as Director by Mr. Indru G. Shahani and Form No. 32 dated 20th March, 2002 for his appointment as Director, filed with the Registrar of Companies, Maharashtra on 22nd March, 2002.

For P.C. SHAH & CO.

Place: Mumbai
Date : 22nd November, 2002

(Pradip C. Shah)
Practising Company Secretary
Proprietor

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, 2002 and the relative Profit and Loss Account for the year ended on that date, both of which we have signed under reference to this report. These financial statements are the responsibility of the management of the company. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government of India in terms of section 227(4A) of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks as we considered

appropriate and according to the information and explanations given to us, we set out in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that :
 - (a) 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;
 - (b) 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;
 - (c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report have been prepared in compliance with the applicable accounting standards referred to in section 211 (3C) of the Act;
 - (e) On the basis of written representations received from the Directors, as on 31st October, 2002, and taken on record by the Board

of Directors of the company, none of the Directors are disqualified as on 31st October, 2002 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act;

- (f) In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and Profit and Loss Account together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act, and also give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the company as at 31st October, 2002;
 - and
 - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date.

For LOVELOCK & LEWES
Chartered Accountants

N. RAMESH RAJAN
Partner

Chennai, 3rd December, 2002

ANNEXURE TO THE AUDITORS' REPORT

Annexure referred to in Paragraph 3 of the Report of the Auditors' to the Members of Hindustan Cargo Limited on the Accounts for the year ended 31st October, 2002.

- i. The company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets. The fixed assets of the company have been physically verified during the year by the management and no material discrepancies between the book records and physical inventory have been noticed.
- ii. The fixed assets of the company have not been revalued during the year.
- iii. 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 Act.
- iv. The company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under section 301 of the Act.
- v. 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.

- vi. In our opinion, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, for purchase of equipments and other assets. There are no purchase of raw materials including components, plant and machinery and sale of goods.
- vii. There are no sales of services made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Act and aggregating during the year to Rs. 50,000 or more in respect of each party.
- viii. The company has not accepted any deposit from the public to which the provisions of section 58A of the Act or the rules framed thereunder would apply.
- ix. The company has an internal audit system commensurate with the size and nature of its business.
- x. The company has been regular during the year in depositing Provident Fund and Employees State Insurance dues with the appropriate authorities in India.
- xi. According to the information and explanation given to us and the records of the company, there were no undisputed amounts outstanding as at 31st October,

2002 in respect of income tax, wealth tax which were due for more than six months from the date they became payable.

- xii. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, we have not come across any personal expenses which have been charged to the Profit and Loss Account other than those payable under contractual obligations and/or accepted business practices.
- xiii. The company is not a sick industrial company within the meaning of section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985.
- xiv. In respect of the 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.

ANNEXURE TO THE AUDITORS' REPORT

(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.	paragraph 4(C), clauses (i), (ii), (iii) and (iv) of paragraph 4(D) are not applicable to the Company.
xv. 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		For LOVELOCK & LEWES Chartered Accountants N. RAMESH RAJAN Partner Chennai, 3rd December, 2002

BALANCE SHEET AS AT 31ST OCTOBER, 2002

	Schedule	As at 31st October, 2002 Rs.	As at 31st October, 2001 Rs.
I. SOURCES OF FUNDS :			
SHAREHOLDERS' FUNDS :			
Capital	A	2,500,000	2,500,000
Reserves and surplus	B	12,321,482	9,758,190
		<u>14,821,482</u>	<u>12,258,190</u>
LOAN FUNDS :			
Unsecured loans	C	—	3,058,592
		<u>14,821,482</u>	<u>15,316,782</u>
II. APPLICATION OF FUNDS :			
FIXED ASSETS :			
Gross block	D	8,106,049	7,750,110
Less : Depreciation		<u>3,869,500</u>	<u>3,371,222</u>
Net block		<u>4,236,549</u>	<u>4,378,888</u>
CURRENT ASSETS, LOANS AND ADVANCES :			
Sundry debtors	E	15,455,094	16,741,182
Cash and bank balances	F	5,877,709	3,609,446
Loans and advances	G	<u>5,788,976</u>	<u>7,037,751</u>
		<u>27,121,779</u>	<u>27,388,379</u>
LESS : CURRENT LIABILITIES AND PROVISIONS :			
Liabilities	H	15,796,511	15,369,028
Provisions	I	<u>697,629</u>	<u>982,627</u>
		<u>16,494,140</u>	<u>16,351,655</u>
NET CURRENT ASSETS		<u>10,627,639</u>	<u>11,036,724</u>
DEFERRED TAX LIABILITY		<u>(42,706)</u>	<u>(98,830)</u>
		<u>14,821,482</u>	<u>15,316,782</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 AccountantsN RAMESH RAJAN
Partner

Chennai, 3rd December, 2002

For and on behalf of the Board of Directors

P. P. MADHAVJI — CHAIRMAN

PRAKASH ASNANI — MANAGING DIRECTOR

A. M. KAKKAR — DIRECTOR

MADHAVAN MENON — DIRECTOR

Mumbai, 3rd December, 2002

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST OCTOBER, 2002

	Schedule	Year ended 31st October, 2002 Rs.	Period ended 31st October, 2001 Rs.
INCOME :			
Income from services rendered	J	31,052,761	29,844,845
Other income	K	1,212,476	892,567
		<u>32,265,237</u>	<u>30,737,412</u>
EXPENDITURE :			
Personnel expenses	L	9,682,582	8,717,092
Other expenses	M	17,130,889	15,710,710
Depreciation	D	955,814	701,640
		<u>27,769,285</u>	<u>25,129,442</u>
Profit before taxation		4,495,952	5,607,970
Provision for taxation		1,988,784	2,300,000
Deferred tax effect of timing differences originating during the year		(56,124)	23,573
Profit after taxation		2,563,292	3,284,397
Balance brought forward from last year		7,906,724	8,256,767
Amount available for appropriations		10,470,016	11,541,164
Less : Appropriations			
Interim dividend paid		—	3,000,000
Corporate dividend tax		—	306,000
Transferred to general reserve		—	328,440
Balance carried to balance sheet		<u>10,470,016</u>	<u>7,906,724</u>
Earning Per Share - Basic and Diluted (Note 10 of schedule N)		10.25	13.13

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 AccountantsN RAMESH RAJAN
Partner

Chennai, 3rd December, 2002

For and on behalf of the Board of Directors

P. P. MADHAVJI — CHAIRMAN

PRAKASH ASNANI — MANAGING DIRECTOR

A. M. KAKKAR — DIRECTOR

MADHAVAN MENON — DIRECTOR

Mumbai, 3rd December, 2002

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST OCTOBER, 2002

	As at 31st October, 2002 Rs.	As at 31st October, 2001 Rs.
SCHEDULE "A" : CAPITAL :		
Authorised :		
1,000,000 Equity shares of Rs.10/- each	<u>10,000,000</u>	<u>10,000,000</u>
Issued and subscribed :		
250,000 Equity shares of Rs.10/- each fully paid-up	<u>2,500,000</u>	<u>2,500,000</u>
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	1,851,466	1,598,283
Add : Transferred from Profit and Loss Account	—	328,440
Less : Deferred tax liability as at start of the year	—	75,257
	<u>1,851,466</u>	<u>1,851,466</u>
Profit and Loss Account	<u>10,470,016</u>	<u>7,906,724</u>
	<u>12,321,482</u>	<u>9,758,190</u>
SCHEDULE "C": UNSECURED LOANS :		
Overdrawn current account with a bank - short term	—	3,058,592
	—	3,058,592

SCHEDULE "D" : FIXED ASSETS :

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
Description	Cost as at 31st October, 2001 Rs.	Additions during the year Rs.	Deductions Rs.	Cost as at 31st October, 2002 Rs.	Upto 31st October, 2001 Rs.	For the year Rs.	On Deductions Rs.	Upto 31st October, 2002 Rs.	As at 31st October, 2002 Rs.	As at 31st October, 2001 Rs.
Furniture and fixtures	701,683	599,229	40,448	1,260,464#	288,007	207,116	22,757	472,366	788,098	413,676
Office equipment	2,738,296	158,620	122,480	2,774,436	725,614	168,009	48,474	845,149	1,929,287	2,012,682
Vehicles	2,734,793*	—	373,547	2,361,246	1,295,881	347,306	359,647	1,283,540	1,077,706	1,438,912
Computers	1,575,338	162,465	27,900	1,709,903	1,061,720	233,383	26,658	1,268,445	441,458	513,618
GRAND TOTAL	7,750,110	920,314	564,375	8,106,049	3,371,222	955,814	457,536	3,869,500	4,236,549	4,378,888
Previous year	6,998,704	793,339	41,933	7,750,110	2,711,512	701,640	41,930	3,371,222	4,378,888	

* Includes Rs. 1,337,104/- (31/10/2001 Rs. 1,337,104) assets purchased under Hire Purchase agreement. Refer Note 3 in Schedule "N".

Includes Rs. 720,430/- (31/10/2001 Rs. 125,000) on account of improvements to leasehold premises.

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST OCTOBER, 2002

	As at 31st October, 2002 Rs.	As at 31st October, 2001 Rs.
SCHEDULE "E" : SUNDRY DEBTORS :		
Debts outstanding for a period exceeding six months		
Unsecured, considered good	620,144	302,182
Unsecured, considered doubtful	1,027,430	790,153
	<u>1,647,574</u>	<u>1,092,335</u>
Less : Provision for doubtful debts	1,027,430	790,153
	<u>620,144</u>	<u>302,182</u>
Other debts		
Unsecured, considered good	14,834,950	16,439,000
	<u>15,455,094</u>	<u>16,741,182</u>
SCHEDULE "F" : CASH AND BANK BALANCES :		
Cash on hand (including cheques on hand)	451,367	851,755
Balances with scheduled banks :		
On current account	5,241,342	2,437,847
On fixed deposit*	185,000	319,844
	<u>5,426,342</u>	<u>2,757,691</u>
	<u>5,877,709</u>	<u>3,609,446</u>
*Margin money with Banks Rs 185,000/- (31/10/2001 - Rs 319,844/-) of which confirmation pending for Rs 165,000/-		
SCHEDULE "G" : LOANS AND ADVANCES :		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received *	2,255,050	4,036,512
Balance with customs, port trust, etc.	270,052	275,280
Advance payment of tax less provision**	3,263,874	2,725,959
	<u>5,788,976</u>	<u>7,037,751</u>
* includes Rs.25,000/- of 6 year National Saving Certificate deposited with customs (31/10/2001 Rs 25,000/-)		
**Net of provision of Rs 20,473,784/- (31/10/2001 Rs. 18,485,000/-)		
SCHEDULE "H" : LIABILITIES :		
Sundry creditors*	10,185,405	13,716,034
Other liabilities	172,991	216,994
Advance payment from customers	2,459,059	1,436,000
Due to Holding Company	2,979,056	—
	<u>15,796,511</u>	<u>15,369,028</u>
*As on 31/10/2002, there are no dues to Small Scale Industrial Undertaking as per the information available with the company (31/10/2001- NIL)		
SCHEDULE "I" : PROVISIONS :		
Provision for gratuity*	261,303	479,068
Provision for leave salary	436,326	503,559
	<u>697,629</u>	<u>982,627</u>

*Refer Note 4 in Schedule "N"

**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST OCTOBER, 2002**

	Year ended 31st October, 2002 Rs.	Period ended 31st October, 2001 Rs.
SCHEDULE "J": INCOME FROM SERVICES RENDERED :		
Commission	13,392,297	12,963,238
Agency	17,660,464	16,881,607
	<u>31,052,761</u>	<u>29,844,845</u>
 SCHEDULE "K" : OTHER INCOME :		
Interest on fixed deposits (gross)	23,676	39,512
(tax deducted at source - Nil - 31/10/2001- Nil)		
Profit on sale of fixed assets	111,377	4,247
Exchange gain (Net)	409,553	822,623
Miscellaneous income	2,360	6,940
Liabilities/Provision no longer required written back	665,510	19,245
	<u>1,212,476</u>	<u>892,567</u>
 SCHEDULE "L" : PERSONNEL EXPENSES :		
Salaries, wages, and bonus	7,265,044	6,012,911
Contribution to provident and other funds	905,059	707,104
Premium on/provision for gratuity-cum-life assurance policy	458,837	511,050
Staff welfare	1,053,642	1,486,027
	<u>9,682,582</u>	<u>8,717,092</u>
 SCHEDULE "M" : OTHER EXPENSES :		
Electricity charges	381,399	299,169
Rent	1,299,650	1,221,088
Repairs and maintenance – Others	1,481,395	1,217,272
Vehicle running expenses	703,294	671,307
Insurance	51,810	26,009
Brokerage and incentives	39,740	86,031
Printing and stationery	801,251	631,074
Postage, telegrams, telex and telephones	1,942,059	1,951,983
Provision for doubtful debts and advances	423,719	250,770
Auditors' remuneration:		
For Statutory Audit	94,500	94,500
For Tax Audit	94,500	94,500
For Other Services (Tax closing)	94,500	94,500
Expenses	5,972	4,767
	<u>289,472</u>	<u>288,267</u>
Directors' fees	35,000	35,000
Legal and professional fees	294,318	457,363
Travelling and subsistence	1,938,932	2,175,132
Miscellaneous expenses (Refer Note '6' in Schedule 'N')	7,448,850	6,400,245
	<u>17,130,889</u>	<u>15,710,710</u>

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST OCTOBER, 2002 AND THE PROFIT AND LOSS ACCOUNT
FOR THE YEAR 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 depreciated fully in the year 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) Taxes on Income :

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent years.

2. Contingent liability not provided for :

Claim against the company not acknowledged as debt - Nil (31/10/2001 - Rs. 25,000)

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 LIC, so as to ascertain whether funds available with LIC are sufficient to meet the present value of Gratuity Service Liability. As per LIC's Actuary's report, the present fund size available with LIC, as compared to present value of Gratuity Service Liability is short by Rs. 261,303. The Company has provided the same fully.

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST OCTOBER, 2002 AND THE PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED ON THAT DATE**

	Year ended 31st October, 2002 Rs.	Period ended 31st October, 2001 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	420,287	380,914
2) Provision for Doubtful Debts	(377,581)	(282,084)
	<u>42,706</u>	<u>98,830</u>
6. Miscellaneous expenses include clearance expenses amounting to Rs. 6,334,908 (31/10/2001 - Rs. 5,577,304)		
7. Managerial Remuneration under section 198 of the Companies Act, 1956 to the Managing Director (excluding gratuity contributed on a global basis)		
Salaries	426,240	321,080
House perquisites	45,000	142,500
Contribution to provident and other funds	115,080	86,692
Perquisites in cash and in kind	438,610	386,849
	<u>1,024,930</u>	<u>937,121</u>
Directors' fees	<u>35,000</u>	<u>35,000</u>
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	2,563,292	3,284,397
Add :		
Provision for taxation	1,988,784	2,300,000
Remuneration to the Managing Director	1,024,930	937,121
Directors' fees	35,000	35,000
Depreciation per accounts	955,814	701,640
Loss on fixed assets sold/scrapped per accounts	—	—
Net profit on fixed assets sold as per section 350	<u>161,432</u>	<u>4,250</u>
	<u>6,729,252</u>	<u>7,262,408</u>
Less :		
Depreciation as per section 350	767,013	523,966
Profit on fixed assets sold as per accounts	111,377	4,247
Net loss on fixed assets sold as per section 350	<u>74,059</u>	<u>—</u>
	<u>952,449</u>	<u>528,213</u>
Net profit	<u>5,776,803</u>	<u>6,734,195</u>
Maximum remuneration payable at the rate of 5 percent of the net profits as per section 309 of the Companies Act, 1956	288,840	336,710
Remuneration per section 198*	<u>909,850</u>	<u>850,429</u>
* Minimum remuneration as approved by the Shareholders of the company which is within the limits prescribed in Schedule XIII of the Companies Act, 1956		
8. Expenditure in Foreign Currency : Subscription/Travel	456,687	365,858
9. Earnings in foreign currency : Commission on export shipment	1,203,138	1,080,369

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST OCTOBER, 2002 AND THE PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED ON THAT DATE**

SCHEDULE "N" (contd.)

10. Earnings Per Share :

Particulars	Year ended 31st October, 2002 Rs.	Period ended 31st October, 2001 Rs.
Basic and Diluted Earnings Per Share	10.25	13.13

Earnings Per Share is calculated by dividing the profit attributable to the Equity Shareholders by the weighted average number of Equity Shares outstanding during the year. The numbers used in calculating basic and diluted earnings are stated below :

Particulars	Year ended 31st October, 2002 Rs.	Period ended 31st October, 2001 Rs.
Profit after taxation (Rs.)	2,563,292	3,284,397
Weighted average number of shares outstanding during the year (Nos)	250,000	250,000

11. Related Party Transactions :

i) Relationships :

a. Holding Company :

Thomas Cook (India) Limited (TCIL) holds 100% equity shares in the company. Thomas Cook Overseas Limited (TCOL) holds 60% equity shares in TCIL. Thomas Cook UK Limited, the holding company of TCOL, is a subsidiary of Eurocenter Teteiligungs - und Reisevermittlung GmbH (Eurocenter) who in turn is subsidiary of Thomas Cook AG.

b. Directors :

Mr. P. P. Madhavji
Mr. Prakash Asnani (Managing Director)
Mr. A. M. Kakkar
Mr. Madhavan Menon
Mr. I. G. Shahani

ii) Details relating to transactions with Thomas Cook (India) Limited :

Particulars	Holding company Rs.
Sale of services	2,451,614
Receiving of services	353,699
Outstanding receivables	89,029
Current Account payable	2,979,056

iii) Details of remuneration paid to Managing Director :

Particulars	Rs.
Remuneration	979,930
Rent paid for residential flat	45,000

12. The company has entered in to lease arrangements for office and residential premises. These lease agreements are for a period of eleven months to three years and are cancellable at the option of either party by giving one month to three months notice.

Lease payments recognized in the Profit and Loss Account Rs. 1,299,650 (Previous period - 31/10/2001 Rs. 1,221,088)

13. The tax year for the company being the year ending 31st March, the provision for taxation for the year is the aggregate of the provision made for the five months ended 31st March, 2002 and the provision based on the figures for the remaining seven months up to 31st October, 2002, the ultimate tax liability of which will be determined on the basis of the figures for the period 1st April, 2002 to 31st March, 2003.

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST OCTOBER, 2002 AND THE PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED ON THAT DATE**

SCHEDULE "N" (contd.)

14. 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	2
---	---	---	---

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	3	5	8
---	---	---	---	---	---	---	---	---

* includes current liabilities

Total Assets**

-	-	-	-	3	1	3	5	8
---	---	---	---	---	---	---	---	---

** includes current assets

Sources of Funds

Paid-up Capital

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

Reserves & Surplus

-	-	-	-	1	2	3	2	1
---	---	---	---	---	---	---	---	---

Secured Loans

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

Unsecured Loans

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

Application of Funds

Net Fixed Assets

-	-	-	-	-	4	2	3	6
---	---	---	---	---	---	---	---	---

Investments

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

Net Current Assets

-	-	-	-	1	0	5	8	5
---	---	---	---	---	---	---	---	---

Miscellaneous Expenditure

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

Accumulated Losses

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

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST OCTOBER, 2002 AND THE PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED ON THAT DATE**

SCHEDULE "N" (contd.)

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

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

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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

15. Previous financial period figures are for ten months. As such the figures are not comparable with those of the current year.

16. Previous period figures have been regrouped/reclassified wherever necessary.

Signatures to Schedules "A" to "N"

For and on behalf of the Board of Directors

P. P. MADHAVJI — CHAIRMAN

PRAKASH ASNANI — MANAGING DIRECTOR

A. M. KAKKAR — DIRECTOR

MADHAVAN MENON — DIRECTOR

Mumbai, 3rd December, 2002

Thomas Cook Insurance Services (India) Limited
(Formerly India Alive Tours Limited)

DIRECTORS' REPORT

TO THE MEMBERS:

Your Directors have pleasure in presenting the Fourteenth Annual Report and the Balance Sheet and Profit & Loss Account for the year ended 31st October, 2002.

OPERATIONS:

The Company amended the Main Objects clause of its Memorandum of Association to include an enabling clause which permits the Company to promote and sell co-branded and niche Insurance Products. The Company obtained the corporate agency license of TATA – AIG General Insurance Company in April 2002.

The company has fared exceedingly well in terms of Sales. In a span of less than 8 months, not only the company has managed to break-even but also has surpassed the targets by over 25%. It is also heartening to share with you that your company has moved upto # 1 corporate selling agent for Tata-AIG in travel insurance segment.

The Products currently available to Customers are :

1. TravelCare: Retail travel insurance for Individual / single trip customers. Annual Multi-trip is also available for avid and frequent flyers with unique T. Cook benefits viz. Latitude & IAPA membership for one year
 2. FamilyCare : Insurance plan for the family going abroad for holidays
 3. ScholarCare : Another one of its kind of Insurance plan, exclusively designed for Students going abroad for higher studies
 4. CorporateCare: Available to the corporate for all its travelling employees. Another Unique policy which gives the corporate not only savings (approx. 20-25% over single trip costs) but also a huge Operational freedom
- Your company is looking forward to launch new products in the near future particularly domestic Insurance, which research shows has huge market opportunity.

FINANCIAL RESULTS:

	Nov./Oct. (2002) (Amount in Rupees)	Jan./Oct. (2001)
Profit before Taxation	705,286	—
Provision for Taxation	259,193	—
Profit after Taxation	446,093	—
Transferred to General Reserve	446,093	—

DIVIDEND:

To conserve resources for the Company's future plans, the Directors do not propose any dividend for the year under review.

CHANGE OF NAME:

The Company has changed its name from India Alive Tours Limited to Thomas Cook Insurance Services (India) Limited with effect from 7th May 2002 vide Certificate issued by Registrar of Companies, Maharashtra, dated 7th May 2002 consequent upon change of name of the Company.

FIXED DEPOSITS:

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

DIRECTORS:

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

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:

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 period under review 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.

Mumbai
Dated: 3rd December, 2002

BY ORDER OF THE BOARD
P. P. MADHAVJI
CHAIRMAN

A. KAKKAR
DIRECTOR

AUDITORS' REPORT

To the Members of Thomas Cook Insurances Services (India) Limited
(Formerly India Alive Tours Limited)

1. We have audited the attached Balance Sheet of Thomas Cook Insurance Services (India) Limited (Formerly India Alive Tours Limited) as at 31st October, 2002 and the relative Profit and Loss Account for the year ended on that date, both of which we have signed under reference to this report. These financial statements are the responsibility of the management of the company. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government of India in terms of section 227(4A) of The Companies Act, 1956 of India (the 'Act') and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we set out in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that :
 - (a) 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;
 - (b) 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;
 - (c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report have been prepared in compliance with the applicable accounting standards referred to in section 211(3C) of the Act;
 - (e) On the basis of written representations received from the directors, as on 31st October, 2002, and taken on record by the Board of Directors of the company, none of the directors is disqualified as on 31st October, 2002 from being appointed as a director in terms of section 274(1)(g) of the Act;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and Profit & Loss Account together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the company as at 31st October, 2002; and
 - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date.

Sharmila A. Karve
Partner
For and on behalf of
Lovelock & Lewes
Chartered Accountants

Mumbai, 3rd December, 2002

ANNEXURE TO THE AUDITORS' REPORT TO THE MEMBERS
OF THOMAS COOK INSURANCE SERVICES (INDIA) LIMITED
(Formerly India Alive Tours Limited)
(Referred to in paragraph 3 thereof)

1. 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 Act. In terms of section 370(6) of the Act, provisions of the section are not applicable to a company on or after 31st October, 1998.
2. The company has not granted, secured or unsecured, any loans to companies, firms or other parties listed in the register maintained under section 301 of the Act. In terms of section 370(6) of the Act, provisions of the section are not applicable to a company on or after 31st October, 1998.
3. The company has not given any loans or advances in the nature of loans to any party.
4. In our opinion, 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.
5. There are no sales of services made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Act and aggregating during the year to Rs. 50,000 or more in respect of each party.
6. The company has not accepted any deposits from the public to which the provisions of section 58A of the act or the rules framed thereunder would apply.
7. The provisions of Provident Fund Act and Employees State Insurance Scheme are not applicable to the company for the year.
8. At the last day of the financial year, there were no undisputed amounts outstanding in respect of income-tax, wealth tax, sales tax and customs duty which were due for more than six months from the date they became payable.
9. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, we have not come across any personal expenses which have been charged to Profit and Loss Account nor have we been informed of such case by the management other those payable under contractual obligations and/or in accordance with generally accepted business practices.
10. The company is not a sick industrial company within the meaning of section 31(i)(a) of the Sick Industrial Companies (Special Provisions) Act, 1985 of India.
11. 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 man-hours consumed to the relative jobs does not arise. Consequently, the authorisation and control on the issue of stores and allocation of stores and labour to jobs are not applicable.
12. As per the information and explanations given to us and taking into consideration the nature of the business of the company, clauses (i), (ii), (iii), (iv), (v), (vi), (xii), (xiv), (xv) and (xvi) of paragraph 4(A), paragraph 4(C) and paragraph 4(D) are not applicable to the company for the current year.

Sharmila A. Karve
Partner
For and on behalf of
Lovelock & Lewes
Chartered Accountants

Mumbai, 3rd December, 2002

Thomas Cook Insurance Services (India) Limited
(Formerly India Alive Tours Limited)

BALANCE SHEET AS AT 31ST OCTOBER, 2002

	Schedule	As at 31st October, 2002 Rs.	As at 31st October, 2001 Rs.
I. SOURCES OF FUNDS :			
SHAREHOLDERS' FUNDS :			
Capital	A	500,000	90
Reserves and surplus	B	446,093	—
		<u>946,093</u>	<u>90</u>
II. APPLICATION OF FUNDS :			
CURRENT ASSETS, LOANS AND ADVANCES :			
Sundry debtors	C	510,279	—
Cash and bank balances	D	3,581,351	30
Loans and advances	E	237,611	—
		<u>4,329,241</u>	<u>30</u>
LESS : CURRENT LIABILITIES :			
Liabilities	F	3,383,148	55,545
		<u>3,383,148</u>	<u>55,545</u>
NET CURRENT ASSETS		<u>946,093</u>	<u>(55,515)</u>
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)			
Preliminary Expenses		—	55,605
		<u>946,093</u>	<u>90</u>

Notes to the accounts

I

Schedules "A" to "F" and "I" referred to above form an integral part of the Balance Sheet
This is the Balance Sheet referred to in our report of even date

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

Mumbai, 3rd December, 2002

Mumbai, 3rd December, 2002

PROFIT AND LOSS ACCOUNT FOR THE
YEAR ENDED 31ST OCTOBER, 2002

	Schedule	Year ended 31st October, 2002 Rs.	Period ended 31st October, 2001 Rs.
INCOME :			
Turnover		1,800,297	—
Other income		2,123,783	—
		<u>3,924,080</u>	<u>—</u>
EXPENDITURE :			
Personnel expenses	G	308,641	—
Advertisement and business promotional expenses		994,753	—
Other expenses	H	1,859,795	—
Preliminary expenses written off		55,605	—
		<u>3,218,794</u>	<u>—</u>
Profit before taxation		705,286	—
Provision for taxation - current tax		259,193	—
Profit after taxation carried to balance sheet		<u>446,093</u>	<u>—</u>
Basic and Diluted Earning Per Share [Refer note 2(d) in schedule "I"]		15.43	—

Notes to the accounts

I

Schedules "G" to "I" 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

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

Mumbai, 3rd December, 2002

Mumbai, 3rd December, 2002

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT
31ST OCTOBER, 2002 AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED ON THAT DATE

	As at 31st October, 2002 Rs.	As at 31st October, 2001 Rs.
SCHEDULE "A" : CAPITAL :		
Authorised :		
500,000 Equity shares of Rs.10/- each	5,000,000	5,000,000
Issued and subscribed :		
50,000 (previous year 9) Equity shares of Rs.10/- each fully paid-up, all held by the holding company, Thomas Cook (India) Limited and its nominees	500,000	90
SCHEDULE "B" : RESERVES AND SURPLUS :		
Profit and Loss Account	446,093	—
SCHEDULE "C": SUNDRY DEBTORS :		
Unsecured, considered good		
Debtors outstanding for less than six months	510,279	—
	<u>510,279</u>	<u>—</u>
SCHEDULE "D" : CASH AND BANK BALANCES :		
Cash and cheques on hand	1,386,506	30
Balance with scheduled bank :		
On current account	2,194,845	—
	<u>3,581,351</u>	<u>30</u>
SCHEDULE "E" : LOANS AND ADVANCES :		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	100,000	—
Tax payments less provisions	137,611	—
	<u>237,611</u>	<u>—</u>
SCHEDULE "F" : LIABILITIES :		
Sundry creditors	3,286,030	55,545
Other liabilities	97,118	—
	<u>3,383,148</u>	<u>55,545</u>
SCHEDULE "G" : PERSONNEL EXPENSES* :		
Salaries, wages and bonus	250,345	—
Contribution to provident and other funds	33,033	—
Staff welfare	25,263	—
[* Refer note 2(c) in schedule "I"]	<u>308,641</u>	<u>—</u>
SCHEDULE "H" : OTHER EXPENSES :		
Rent, rates and taxes	409,643	—
Other repairs and maintenance	407,143	—
Printing and stationery	11,520	—
Legal and professional fees	94,428	—
Service charges	895,715	—
Statutory Auditors' remuneration :		
Audit fees	20,000	—
Miscellaneous Reports	<u>10,500</u>	<u>—</u>
Bank charges	250	—
Directors' fees	3,000	—
Miscellaneous expenses	7,596	—
	<u>1,859,795</u>	<u>—</u>

Thomas Cook Insurance Services (India) Limited
(Formerly India Alive Tours Limited)

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST OCTOBER, 2002 AND THE PROFIT AND
LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE "I"

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) Turnover :
- Turnover comprises of commission on insurance policies sold in the normal course of business as the corporate insurance agent of Tata AIG General Insurance Company Limited.
- c) Revenue Recognition :
- Commission on insurance policies sold are recognized at the time of issue of insurance policies.

2. NOTES TO ACCOUNTS

- a) The company has changed its name from India Alive Tours Limited to Thomas Cook Insurance Services (India) Limited w.e.f. 7th May, 2002 and has obtained fresh Certificate of Incorporation consequent on change of name from the Registrar of Companies, Maharashtra. The change is in line with the company's sole business activity of procuring general insurance business on behalf of Tata AIG General Insurance Company Limited.
- b) The company has commenced business activities from 25th February, 2002. The company has obtained a Corporate Insurance Agent's Licence from the Insurance Regulatory and Development Authority, New Delhi for a period of three years commencing from 21st February, 2002. Accordingly, it entered into an agency agreement with Tata AIG General Insurance Company Limited for procuring the general insurance business as a Corporate Insurance Agent on behalf of the said company for a period of 3 years commencing from 21st February, 2002 in accordance with the Insurance Regulatory and Development Authority (Licensing of Insurance Agents) Regulations, 2000. As the company commenced operations in the current year, figures for the current year are not comparable with those of the previous period.
- c) Personnel expenses are towards salary and other allowances of the employee deputed to the company by the holding company.
- d) Earnings Per Share :

Particulars	Year ended 31 st October, 2002 Rs.	Period ended 31 st October, 2001 Rs.
Basic and Diluted Earnings Per Share	15.43	—

Earnings Per Share is calculated by dividing the profit attributable to the Equity Shareholders by the weighted average number of Equity Shares outstanding during the year. The numbers used in calculating basic and diluted earnings are stated below :

Particulars	Year ended 31 st October, 2002	Period ended 31 st October, 2001
Profit after taxation (Rs.)	446,093	—
Weighted average number of shares outstanding during the year (Nos)	28,908	—

- e) 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 - 5 4 7 6 0 State Code 1 1
Balance Sheet Date 3 1 1 0 2 0 0 2
Date Month Year

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

Public Issue	Rights Issue
- - N I L - - -	- - - - - 5 0 0
Bonus Issue	Private Placement
- - - N I L - - -	- - - N I L - - -

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

Total Liabilities *	Total Assets *
- - - - 4 3 2 9	- - - - 4 3 2 9
* includes current liabilities	* includes current assets
Sources of Funds	
Paid-up Capital	Reserves and Surplus
- - - - - 5 0 0	- - - - - 4 4 6
Secured Loans	Unsecured Loans
- - - N I L - - -	- - - N I L - - -
Application of Funds	
Net Fixed Assets	Investments
- - - N I L - - -	- - - N I L - - -
Net Current Assets	Miscellaneous Expenditure
- - - - - 9 4 6	- - - N I L - - -
Accumulated Losses	
- - - N I L - - -	

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

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

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

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

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

Mumbai, 3rd December, 2002

DIRECTORS' REPORT

TO THE MEMBERS:
Your Directors have pleasure in presenting the Fourteenth Annual Report and the Balance Sheet and Profit & Loss Account for the year ended 31st October, 2002.

OPERATIONS:
There were no business activities carried on throughout the year ended on 31st October, 2002.

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.

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. A. Kakkar and Mr. M. Menon retire by rotation and being eligible, offer themselves for reappointment.

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 reappointment.

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

Dated : 3rd December, 2002

BY ORDER OF THE BOARD
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, 2002 which we have signed under reference to this report. No Profit and Loss Account has been prepared as there have been no activities during the year ended on that date. This financial statement is the responsibility of the management of the company. Our responsibility is to express an opinion on this financial statement based on our audit.
- We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- No report has been made under the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government of India in terms of section 227(4A) of 'The Companies Act, 1956' of India (the 'Act'), as the company was not engaged in any of the activities mentioned in paragraph 1(2)(a) of the said Order, during the year ended 31st October, 2002.
- Further to our comments in the paragraph 3 above, we report that:
 - 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;
 - The Balance Sheet dealt with by this report is in agreement with the books of account;
 - 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 Act is not applicable;
 - On the basis of written representations received from the directors, as on 31st October, 2002, and taken on record by the Board of Directors of the company, none of the directors is disqualified as on 31st October, 2002 from being appointed as a director in terms of section 274(1)(g) of the Act;
 - In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act, and give a true and fair view of the state of affairs of the company as at 31st October, 2002 in conformity with the accounting principles generally accepted in India.

Mumbai, 3rd December, 2002

Sharmila A. Karve
Partner
For and on behalf of
Lovelock & Lewes
Chartered Accountants

BALANCE SHEET AS AT 31ST OCTOBER, 2002

	As at 31st October, 2002 Rs.	As at 31st October, 2001 Rs.
I. SOURCES OF FUNDS :		
SHAREHOLDERS' FUNDS :		
Capital		
Authorised :		
500,000 Equity shares of Rs.10/- each	5,000,000	5,000,000
Issued and subscribed :		
9 Equity shares of Rs.10/- each fully paid-up, all held by the holding company, Thomas Cook (India) Limited and its nominees	90	90
	90	90
II. APPLICATION OF FUNDS :		
CURRENT ASSETS, LOANS AND ADVANCES :		
Cash and bank balances		
Cash on hand	30	30
LESS: CURRENT LIABILITIES AND PROVISIONS :		
Liabilities		
Sundry Creditors	36,960	32,740
NET CURRENT ASSETS	(36,930)	(32,710)
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)		
Preliminary Expenses	37,020	32,800
TOTAL	90	90

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

Sharmila A. Karve
Partner
For and on behalf of
Lovelock & Lewes
Chartered Accountants

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

Mumbai, 3rd December, 2002

Mumbai, 3rd December, 2002

Annexure referred to in the balance sheet as at
31st October, 2002 and the profit and loss account for
the year 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 2	
	Date Month Year	
II. Position of Mobilisation and Deployment of Funds (Amount in Rs. 000's)		
Total Liabilities *	- - - - - 3 7	Total Assets *
- - - - - 3 7		- - - - - 3 7
* includes current liabilities		* includes current assets
Sources of Funds		
Paid-up Capital	- - - - - *	
* Rs. 90 only		
Application of Funds		
Net Current Assets	- - - - - (3 7)	Miscellaneous Expenditure
- - - - - (3 7)		- - - - - 3 7

Mumbai, 3rd December, 2002

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

Thomas Cook (Mauritius) Holding Company Limited
(Formerly "TC (Mauritius) Holding Co. Ltd.")

DIRECTORS' REPORT

- The Directors submit herewith the financial statements of the company for the year ended October 31, 2002.
- State of affairs and review of activities
The Profit and Loss Account for the year ended October 31, 2002 is set out alongside. The main activity of the company is holding of investments.
- Dividends
No dividends has been declared by the directors for the year under review (2001:USD 30,000).
- Change in Legislation
The Companies Act 1984 and the Mauritius Offshore Business Activities Act 1992 have been replaced on December 1, 2001 by the Companies Act 2001 and the Financial Services Development Act 2001 respectively. Under the Financial Services Development Act 2001, Thomas Cook (Mauritius) Holding Company Limited is now referred to as 'Global Business Licence Category 1 Company' instead of 'Offshore Company'.
- Change in name
By way of a special resolution, the company has changed its name from 'TC (Mauritius) Holding Co. Ltd' to 'Thomas Cook (Mauritius) Holding Company Limited' on September 30, 2002.

BY ORDER OF THE BOARD

Secretary
MULTICONCONSULT LTD.

Port Louis
Mauritius

Date: 18th November, 2002

SECRETARY'S CERTIFICATE - OCTOBER 31, 2002

We certify that, to the best of our knowledge and belief, the company has filed with the Registrar of Companies all such returns as are required of the company under the Companies Act 2001 in terms of section 166(d).

Multiconsult Limited

CORPORATE SECRETARY

10, Frère Félix de Valois Street,

Port Louis,

MAURITIUS

Date: 18th November, 2002

AUDITORS' REPORT

TO THE MEMBERS

I have audited the financial statements of Thomas Cook (Mauritius) Holding Company Limited which have been prepared in accordance with the accounting policies set out in the notes to the accounts.

Respective responsibilities of the Board 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 ensuring that the financial statements comply with the Companies Act 2001, as applicable under the Financial Services Development Act 2001 and has been prepared in accordance with International Accounting Standards. 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 financial statements and to report my opinion to you.

Basis of opinion

I conducted my audit in accordance with International Standards on Auditing. My audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and 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 myself with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements. I believe that my audit provides a reasonable basis for my opinion.

I have no relationship with, or any interests in, the company other than in my capacity as auditor, tax and business advisor and other than dealings, with the company in the ordinary course of business.

Opinion

I have obtained all such information and explanations which I considered necessary. In my opinion :

- proper accounting records have been kept by the company as far as it appears from examination of those records;
- the financial statements give a true and fair view of the balance sheet of the company as at October 31, 2002 and of its result and cash flows for the year then ended, and comply with the Companies Act 2001.

Port Louis

Mauritius, 18th November, 2002

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

BALANCE SHEET AS AT 31ST OCTOBER, 2002

	Notes	As at 31st October, 2002 USD	As at 31st October, 2001 USD
ASSETS EMPLOYED			
NON-CURRENT ASSET			
Investment in subsidiary company	2	588,697	588,697
CURRENT ASSETS			
Trade and other receivables	3	440	35,440
Cash at bank		11,992	7,107
		12,432	42,547
		601,129	631,244
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Share capital	4	590,000	590,000
(Revenue deficit)/Retained earnings		(4,709)	712
		585,291	590,712
CURRENT LIABILITIES			
Accruals		3,308	2,352
Dividends proposed	5	—	30,000
Payable to subsidiary company		12,530	8,180
		15,838	40,532
		601,129	631,244

The notes form an integral part of these financial statements

The financial statements were approved by the Board of Directors

J. RAYMOND. LAMUSSE	A. M. KAKKAR	—	DIRECTOR
F.C.A., F.C.C.A.	M. MENON	—	DIRECTOR

Port Louis

Mauritius, 18th November, 2002

18th November, 2002

PROFIT AND LOSS ACCOUNT -
FOR THE YEAR ENDED 31ST OCTOBER , 2002

	Notes	Year ended 31st October, 2002 USD	Period ended 31st October, 2001 USD
INCOME			
Dividend income	1(c)	—	35,000
Other income	1(c)	5	6,860
		5	41,860
EXPENDITURE			
Licence fees		1,500	1,250
Secretarial fees		1,000	833
Professional fees		1,000	833
Accountancy fees		800	1,000
Audit fees		956	664
Bank charges		120	—
Disbursements		50	130
		5,426	4,710
Operating (loss)/profit	6	(5,421)	37,150
Dividends	5	—	30,000
(Loss)/Profit retained for the year/period TOTAL		(5,421)	7,150
(Loss)/Earnings Per Share (cents)	7	(1)	6

The notes form an integral part of these financial statements

The financial statements were approved by the Board of Directors

J. RAYMOND. LAMUSSE	A. M. KAKKAR	—	DIRECTOR
F.C.A., F.C.C.A.	M. MENON	—	DIRECTOR

Port Louis

Mauritius, 18th November, 2002

18th November, 2002

Thomas Cook (Mauritius) Holding Company Limited
(Formerly "TC (Mauritius) Holding Co. Ltd.")

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST OCTOBER, 2002

	Share Capital	Retained earnings/ (Revenue deficit)	Total
	USD	USD	USD
Balance as at 1st January, 2001	590,000	(6,438)	583,562
Net profit	—	37,150	37,150
Dividends	—	(30,000)	(30,000)
At 31st October, 2001	590,000	712	590,712
At 1st November, 2001	590,000	712	590,712
Loss for the year	—	(5,421)	(5,421)
At 31st October, 2002	590,000	(4,709)	585,291

The notes form an integral part of these financial statements

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST OCTOBER, 2002

Notes	Year ended 31st October, 2002 USD	Period ended 31st October, 2001 USD
OPERATING ACTIVITIES		
(Loss)/profit for the year	(5,421)	37,150
Adjustment for:		
Dividend receivable	—	(35,000)
Operating (loss)/profit before working capital changes	(5,421)	2,150
Increase in accounts receivable	—	(440)
Increase/(Decrease) in accruals	956	(3,030)
Increase in amount payable to subsidiary	4,350	1,320
CASH GENERATED FROM OPERATIONS	(115)	—
INVESTING ACTIVITY		
Dividend received	35,000	—
Net cash from investing activity	35,000	—
FINANCING ACTIVITY		
Dividend paid	(30,000)	—
NET CASH USED IN FINANCING ACTIVITY	(30,000)	—
INCREASE IN CASH AND CASH EQUIVALENTS	4,885	—
MOVEMENT IN CASH AND CASH EQUIVALENTS		
Opening	7,107	7,107
Increase	4,885	—
CLOSING	11,992	7,107

The notes form an integral part of these financial statements

The financial statements were approved by the Board of Directors

J. RAYMOND. LAMUSSE	A. M. KAKKAR	—	DIRECTOR
F.C.A, F.C.C.A.	M. MENON	—	DIRECTOR

Port Louis
Mauritius, 18th November, 2002

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER, 2002

- ACCOUNTING POLICIES
The principal accounting policies adopted by the company are as follows:
 - Basis of accounting
The financial statements are prepared under the historical cost convention and in accordance with applicable International Accounting Standards.
 - 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.
 - Revenue recognition
Revenue consists mainly of dividend income which is accounted for when the shareholders' right to receive payment is established. Interest and other income are recognised as they accrue.
 - Financial instruments
 - Recognition :
Financial assets and financial liabilities are recognised in the company's balance sheet when the company has become a party to the contractual provisions of the instrument.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST OCTOBER, 2002

- Trade receivables :
Trade receivables are stated at their nominal value as adjusted for appropriate allowances for estimated irrecoverable amounts.
 - Trade payables :
Trade payables are stated at their nominal value.
 - Equity instruments :
Equity instruments are recorded at the proceeds received net of direct issue costs.
2. INVESTMENT IN SUBSIDIARY COMPANY
- | | 2002
USD | 2001
USD |
|-----------------------|-------------|-------------|
| UNQUOTED (At cost) | | |
| At 31st October, 2002 | 588,697 | 588,697 |
- The directors consider that cost represents fairly the value of the unquoted investment.
- Details of the subsidiary company is as follows :

Details of the subsidiary company is as follows :					
	Country of Incorporation	Class of shares held	Nominal value of investment	% Holding 2002&2001	
Thomas Cook (Mauritius) Operations Company Limited (Formerly known as 'TC (Mauritius) Operations Co. Ltd')	Mauritius	Ordinary	MUR 100.00	100%	
The company does not prepare group accounts as it is a wholly owned subsidiary of Thomas Cook (India) Limited.					
3. TRADE AND OTHER RECEIVABLES			2002 USD	2001 USD	
Prepayments			440	440	
Dividend receivable			—	35,000	
			440	35,440	
4. SHARE CAPITAL					
Authorised:					
Ordinary shares of USD 1 each			1,000,000	1,000,000	
Issued and fully paid:					
Ordinary shares of USD 1 each			590,000	590,000	
5. PROPOSED DIVIDEND					
Ordinary dividend (2001: 5% payable)			—	30,000	
6. OPERATING (LOSS)/PROFIT					
The operating (loss)/profit is arrived at after charging:					
Auditor's remuneration			956	664	
Staff costs (note (a) below)			—	—	
(a) Number of employees at the end of the year/period			—	—	
7. (LOSS)/EARNINGS PER SHARE					
(Loss)/Earnings Per Share (cents)			(1)	6	
Based on:					
(a) Net (loss)/profit attributable to shareholders			(5,421)	37,150	
(b) Number of ordinary shares in issue			590,000	590,000	
8. CASH AND CASH EQUIVALENTS					
Cash at bank			11,992	7,107	
9. TAXATION					
The company is liable to tax in Mauritius at the rate of 15% on its profit, as adjusted for tax purposes. It is, however, entitled to a tax credit equivalent to either the foreign taxes paid or 80% of the Mauritius tax on its foreign source income.					
At 31st October, 2002, the company has a total tax loss of USD 5,421.					
10. FINANCIAL RISK FACTORS					
The company is exposed to currency risk. Its assets, denominated in Mauritian Rupees (MUR), are exposed to the risks that the USD/MUR exchange rate may fluctuate and affect the value of the company's assets.					
11. REPORTING CURRENCY					
The financial statements have been prepared in US Dollars which is considered to be the company's principal operating currency.					
12. RELATED PARTY TRANSACTIONS			2002 USD	2001 USD	
Amount due to subsidiary company			12,530	8,180	
Expenses paid by subsidiary company			4,350	1,320	
The above transactions have been made at arm's length on normal commercial terms and in the normal course of business.					
The company holds 100% in Thomas Cook (Mauritius) Operations Company Limited, which was incorporated in Mauritius.					
13. FIVE YEAR FINANCIAL SUMMARY					
	2002 USD	2001 USD	2000 USD	1999 USD	1998 USD
Share capital	590,000	590,000	590,000	1,000	1,000
(Loss)/Profit for the year	(5,421)	37,150	56,098	(4,554)	(4,528)
(Revenue deficit)/retained earnings	(4,709)	712	(6,438)	(25,536)	(20,982)
Dividends	—	30,000	37,000	—	—
14. ULTIMATE HOLDING COMPANY					
The ultimate holding company of Thomas Cook (Mauritius) Holding Company Limited is Thomas Cook (India) Limited.					
	A. M. KAKKAR	—	DIRECTOR		
18th November, 2002	M. MENON	—	DIRECTOR		

Thomas Cook (Mauritius) Operations Company Limited
(Formerly " TC (Mauritius) Operations Co. Ltd.)

DIRECTORS' REPORT

THOMAS COOK (MAURITIUS) OPERATIONS COMPANY LIMITED

(Formerly "TC (MAURITIUS) OPERATIONS CO. LTD)

TO THE MEMBERS

REPORT OF THE DIRECTORS

- The Directors submit herewith the financial statements of the company for the year ended October 31, 2002.
- State of affairs and review of activities
The Profit and Loss Account for the year ended October 31, 2002 is set out alongside. The main activity of the company is to deal in foreign exchange.
- Dividends
No dividends has been declared by the directors for the year under review (2001: Rs 1,063,650).
- Change in name
By way of a special resolution, the company has changed its name from 'TC (Mauritius) Operations Co. Ltd to 'Thomas Cook (Mauritius) Operations Company Limited' on September 13, 2002.
- Interests register and annual report
The shareholders have unanimously resolved that the company:
(i) need not keep interests register per Section 271 of the Companies Act 2001;
(ii) is dispensed from preparing an annual report per Section 218(2) of the Companies Act 2001.

BY ORDER OF THE BOARD
Secretary
EXECUTIVE SERVICES LTD.
Per Christian Angeseeing

Port Louis
Mauritius
Date: 3rd December, 2002

SECRETARY'S CERTIFICATE - OCTOBER 31, 2002

We certify that, to the best of our knowledge and belief, the company has filed with the Registrar of Companies all such returns as are required of the company under the Companies Act 2001 in terms of section 166(d).

Executive Services Limited
SECRETARY
6th Floor, Ken Lee Tower,
Corner of Barracks & St. Georges Street
Port Louis,
MAURITIUS
Date: 3rd December, 2002

AUDITORS' REPORT

TO THE MEMBERS

I have audited the financial statements of Thomas Cook (Mauritius) Operations Company Limited which have been prepared in accordance with the accounting policies set out in the notes to the accounts.

Respective responsibilities of the Board 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 for ensuring that the financial statements comply with the Companies Act 2001, taking into account the Order dated March 27, 2002 made by the Registrar of Companies under section 224(2) of the Companies Act 2001, authorising directors to prepare and present financial statements in relation to an accounting period commencing prior to December 1, 2001 in accordance with Mauritius Accounting and Auditing Standards Act 1989. 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 our audit, on those financial statements and to report my opinion to you.

Basis of opinion

I conducted my audit in accordance with International Standards on Auditing. My audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, 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 myself with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that my audit provides a reasonable basis for my opinion.

I have no relationship with, or any interests in, the company other than in my capacity as auditor, tax and business adviser and other than dealings with the company in the ordinary course of business.

Opinion

I have obtained all such information and explanations which I considered necessary. In my opinion :

- proper accounting records have been kept by the company as far as it appears from my examination of those records ;
- the financial statements give a true and fair view of the state of affairs of the company as at October 31, 2002 and of its result and cash flows for the year then ended, comply with the Companies Act 2001 taking into account the Order dated March 27, 2002 made by the Registrar of Companies and have been prepared in accordance with and comply with Mauritius Accounting Standards.

Port Louis
Mauritius, 3rd December, 2002

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

BALANCE SHEET AS AT 31ST OCTOBER, 2002

	Notes	As at 31st October, 2002 MUR	As at 31st October, 2001 MUR
ASSETS EMPLOYED			
NON-CURRENT ASSET			
Plant and equipment	2	1,930,557	2,165,412
CURRENT ASSETS			
Trade and other receivables	3	968,596	1,009,056
Bank and cash balances - foreign currency		26,828,548	731,546
- local currency		1,376,017	13,896,734
		29,173,161	15,637,336
		31,103,718	17,802,748
EQUITY & LIABILITIES			
CAPITAL AND RESERVES			
Share capital	4	15,000,000	15,000,000
Retained earnings		1,195,384	317,403
		16,195,384	15,317,403
NON-CURRENT LIABILITIES			
Deferred tax liabilities	5	112,866	65,355
Retirement and other benefit obligations	6	88,996	41,300
		201,862	106,655
CURRENT LIABILITIES			
Borrowings	7	44,961	—
Trade and other payables	8	14,315,983	2,176,475
Income tax	9	345,528	202,215
		14,706,472	2,378,690
		31,103,718	17,802,748

The notes form an integral part of these financial statements

The financial statements were approved by the Board of Directors

J. RAYMOND. LAMUSSE F.C.A, F.C.C.A.	A. M. KAKKAR M. MENON	— —	DIRECTOR DIRECTOR
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Port Louis Mauritius, 3rd December, 2002	3rd December, 2002
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Thomas Cook (Mauritius) Operations Company Limited
(Formerly “ TC (Mauritius) Operations Co. Ltd.)

PROFIT AND LOSS ACCOUNTS
FOR THE YEAR ENDED 31ST OCTOBER, 2002

	Notes	Year ended 31st October, 2002 MUR	Period ended 31st October, 2001 MUR
INCOME			
Profit on sale of currencies		8,144,685	6,296,034
Other income		407,930	343,929
		<u>8,552,615</u>	<u>6,639,963</u>
EXPENDITURE			
Administrative and other expenses			
Staff costs	10(a)	2,387,305	1,919,530
Depreciation		446,912	409,191
Other expenses		4,616,996	3,269,778
		<u>7,451,213</u>	<u>5,598,499</u>
Operating profit	10	1,101,402	1,041,464
Finance revenue	11	155,830	87,808
Profit before taxation		1,257,232	1,129,272
Taxation	9	379,251	219,119
Profit after taxation		<u>877,981</u>	<u>910,153</u>
Earnings Per Share	12	<u>5.85</u>	<u>6.07</u>

The notes Form an integral part of these financial statements

The financial statements were approved by the Board of Directors

J. RAYMOND. LAMUSSE	A. M. KAKKAR	—	DIRECTOR
F.C.A, F.C.C.A.	M. MENON	—	DIRECTOR

Port Louis	
Mauritius, 3rd December, 2002	3rd December, 2002

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST OCTOBER, 2002

	Notes	Share capital MUR	Retained profits MUR	Total MUR
Balance as at 1st January, 2001		15,000,000	470,900	15,470,900
Net profit after tax		—	910,153	910,153
Dividends	13	—	(1,063,650)	(1,063,650)
Balance as at 31st October, 2001		<u>15,000,000</u>	<u>317,403</u>	<u>15,317,403</u>
Balance as at 1st November, 2001		15,000,000	317,403	15,317,403
Net profit after tax		—	877,981	877,981
Balance as at 31st October, 2002		<u>15,000,000</u>	<u>1,195,384</u>	<u>16,195,384</u>

The notes form an integral part of these financial statements

	Notes	Year ended 31st October, 2002 MUR	Period ended 31st October, 2001 MUR
CASH GENERATED FROM OPERATIONS			
Reconciliation of profit before taxation to cash generated from operations :			
PROFIT BEFORE TAXATION		1,257,232	1,129,272
Adjustments for :			
— Depreciation		446,912	409,191
— Interest receivable		(155,830)	(87,808)
— Provision for retirement and other benefit obligation		47,696	41,300
Changes in working capital (excluding the effects of acquisition and disposal) :			
— trade and other receivables		40,460	131,508
— trade and other payables		12,139,508	1,846,475
CASH GENERATED FROM OPERATIONS		<u>13,775,978</u>	<u>3,469,938</u>

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST OCTOBER, 2002

	Notes	Year ended 31st October, 2002 MUR	Period ended 31st October, 2001 MUR
Income tax paid		(188,427)	(464,442)
Interest received		155,830	87,808
NET CASH FROM OPERATING ACTIVITIES		<u>13,743,381</u>	<u>3,093,304</u>
INVESTING ACTIVITY			
Purchase of plant and equipment		(212,057)	(1,102,522)
NET CASH USED IN INVESTING ACTIVITY		<u>(212,057)</u>	<u>(1,102,522)</u>
FINANCING ACTIVITY			
Dividends paid		—	(1,063,650)
NET CASH USED IN FINANCING ACTIVITY		<u>—</u>	<u>(1,063,650)</u>
INCREASE IN CASH AND CASH EQUIVALENTS		<u>13,531,324</u>	<u>927,132</u>
MOVEMENT IN CASH AND CASH EQUIVALENTS			
Opening		14,628,280	13,701,148
Increase		13,531,324	927,132
CLOSING	14	<u>28,159,604</u>	<u>14,628,280</u>

The notes form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER, 2002

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 reducing balance method at the following rates per annum:

Office equipment	33%
Furniture & fittings	15%
Motor vehicles	20%

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.

In previous years, the company valued its monetary assets and liabilities denominated in foreign currencies at the buying and selling rates ruling at Balance Sheet date respectively.

As from this financial year, monetary assets and liabilities denominated in foreign currencies are translated at the mid buying and selling rate ruling at Balance Sheet date. This constitutes a change in accounting estimate to comply with Group basis of valuing foreign currencies. The change in estimate has resulted in an increase in the value of the stock of foreign currencies of MUR 520,160.

(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

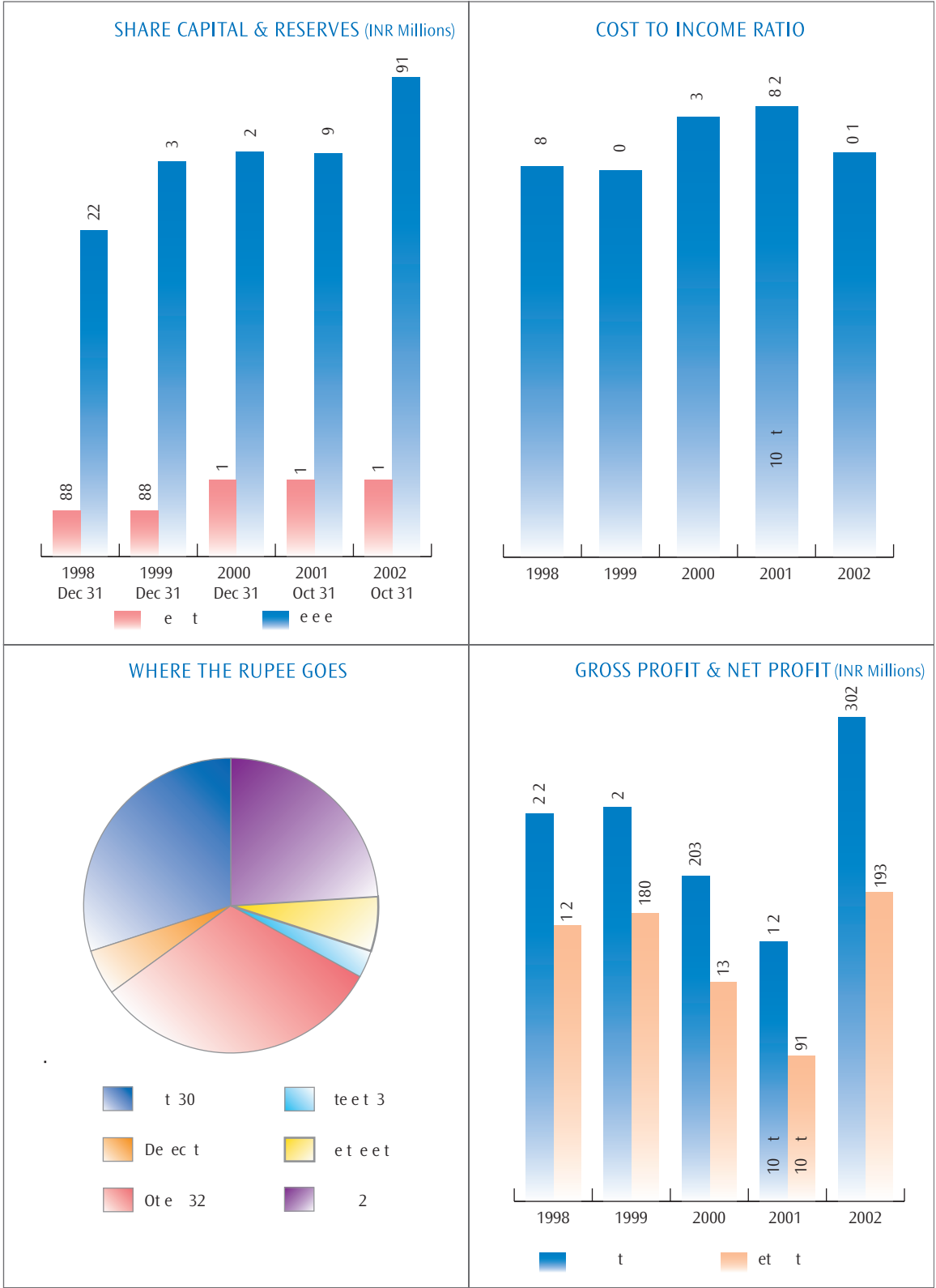
Severance allowance on retirement

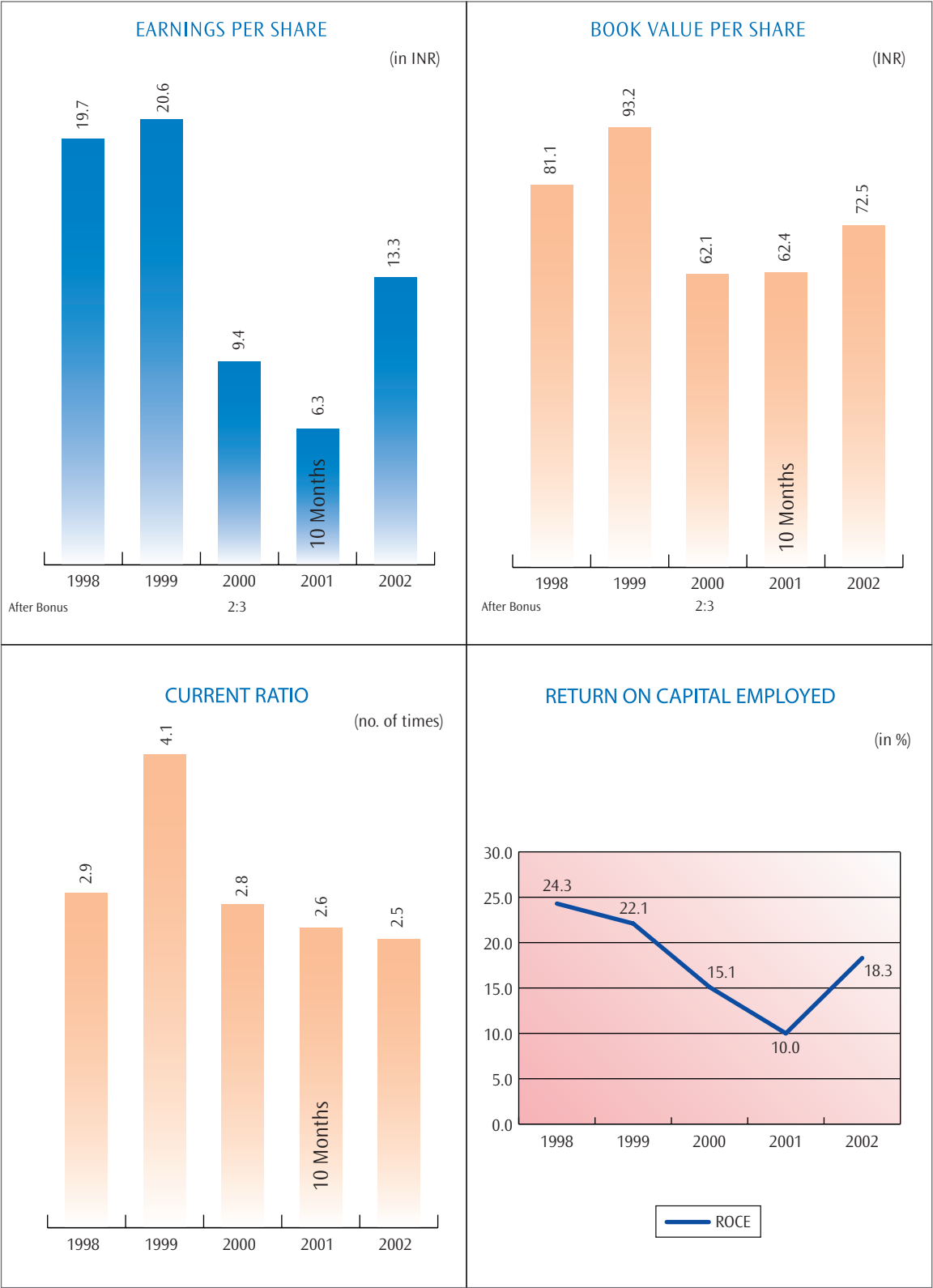
For employees who are not covered by pension plans, the net present value of severance allowances payable under the Labour Act is calculated and provided for. The obligations arising under this item are not funded.

Thomas Cook (Mauritius) Operations Company Limited
(Formerly " TC (Mauritius) Operations Co. Ltd.)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST OCTOBER, 2002

2.	PLANT AND EQUIPMENT						2002 MUR	2001 MUR
	Office Equipment MUR	Furniture & Fittings MUR	Motor Vehicles MUR	Total MUR	Profit before taxation		1,257,232	1,129,272
COST					Tax calculated at a rate of 25%		314,308	282,318
At 1st November, 2001	671,169	1,267,212	806,430	2,744,811	Expenses not deductible for tax purposes		78,197	5,709
Additions during the year	209,257	2,800	-	212,057	Investment relief		(13,254)	(68,908)
At 31st October, 2002	880,426	1,270,012	806,430	2,956,868	Tax charge		379,251	219,119
DEPRECIATION					10. OPERATING PROFIT			
At 1st November, 2001	217,536	159,260	202,603	579,399	Operating profit is arrived after charging :			
Charge for the period	159,795	166,351	120,766	446,912	Auditors' remuneration		100,000	100,000
At 31st October, 2002	377,331	325,611	323,369	1,026,311	Directors emoluments		—	—
NET BOOK VALUES							100,000	100,000
At 31st October, 2002	503,095	944,401	483,061	1,930,557	(a) Staff costs			
					Salaries		1,709,358	1,569,569
At 31st October, 2001	453,633	1,107,952	603,827	2,165,412	Other costs		677,947	349,961
							2,387,305	1,919,530
3. TRADE AND OTHER RECEIVABLES			2002 MUR	2001 MUR	(b) The number of employees at the end of the period was:			
Prepayments			580,772	754,455	Operations		14	16
Receivable from holding company			387,824	254,601	11. FINANCE REVENUE			
			968,596	1,009,056	Interest income		155,830	87,808
4. SHARE CAPITAL					12. EARNINGS PER SHARE			
Authorised, Issued and fully paid			15,000,000	15,000,000	Earnings Per Share		5.85	6.07
Ordinary shares of MUR 100 each					Profit after taxation		877,981	910,153
5. DEFERRED INCOME TAXES					Average number of ordinary shares in issue		150,000	150,000
Deferred income tax liabilities					13. DIVIDENDS			
Opening balance			75,680	48,451	Ordinary dividend paid (2001: 7%)		—	1,063,650
Charged for the period (note 9)			59,435	27,229	14. CASH AND CASH EQUIVALENTS			
Closing balance			135,115	75,680	Bank and cash balances - local currency		1,376,017	13,896,734
Deferred income tax assets					- foreign currency		26,828,548	731,546
Opening balance			10,325	—	Bank overdraft		(44,961)	—
Profit and Loss movement (note 9)			11,924	10,325			28,159,604	14,628,280
Closing balance			22,249	10,325	15. FINANCIAL SUMMARY	Year ended 31st October, 2002 MUR	Period ended 31st October, 2001 MUR	Year ended 31st December, 2000 MUR
Net deferred income tax liabilities			112,866	65,355	Share Capital	15,000,000	15,000,000	15,000,000
6. RETIREMENT AND OTHER BENEFIT OBLIGATIONS					Profit before taxation	1,257,232	1,129,272	2,183,793
Post retirement benefits compose of severance allowances payable under the Labour Act.					Profit after taxation	877,981	910,153	1,670,900
(i) Amount recognised in the Balance Sheet are as follows:			2002 MUR	2001 MUR	Dividends paid	—	1,063,650	1,200,000
Past Service costs			88,996	41,300	Retained profits	1,195,384	317,403	470,900
(ii) Amount recognised in the Profit and Loss Account are as follows:					16. IMMEDIATE AND ULTIMATE HOLDING COMPANY			
Total expense included in staff costs			47,696	41,300	The immediate holding company of Thomas Cook (Mauritius) Operations Company Limited is Thomas Cook (Mauritius) Holding Company Limited incorporated in Mauritius and the ultimate holding company is Thomas Cook (India) Limited incorporated in India.			
7. BORROWINGS					17. RELATED PARTY TRANSACTIONS		2002 MUR	2001 MUR
Current					Amount receivable from holding company		387,824	254,601
Bank overdraft			44,961	—	Expenses paid on behalf of holding company		133,223	67,908
8. TRADE AND OTHER PAYABLES					Amount payable to ultimate holding company		13,342,500	1,461,000
Trade payable			18,131	245,874	Purchase of foreign currencies from ultimate holding company		574,065,260	244,498,590
Accrued expenses			955,352	469,601	The above transactions have been made at arm's length on normal commercial terms and in the normal course of business.			
Amount payable to ultimate holding company			13,342,500	1,461,000				
			14,315,983	2,176,475				
9. INCOME TAX								
Current tax on the adjusted profit for the period at 25%			345,528	202,215				
Over provision of income tax in previous period			(13,788)	—				
Deferred tax movement (note 5)			47,511	16,904				
			379,251	219,119				
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:					3rd December, 2002	A. M. KAKKAR	—	DIRECTOR
						M. MENON	—	DIRECTOR





TEN FINANCIAL YEARS' PERFORMANCE

	(Rs. in Thousands)									
	1993 Rs.	1994 Rs.	1995 Rs.	1996 Rs.	1997 Rs.	1998 Rs.	1999 Rs.	2000 Rs.	2001 Rs.	2002 Rs.
Fixed Assets	86403	117354	124866	267181	352698	429931	447509	450068	449583	445920
Investments	—	2500	2500	2500	2500	2500	2500	74373	29774	30236
Net Current Assets	300158	295043	467014	444299	577242	844044	1018406	925157	682674#	824225#
Misc. Expenditure	—	—	—	—	—	—	25023	12181	4251	1959
Total Application of Funds	386561	414897	594380	713980	932440	1276475	1493438	1461779	1166282	1302340
Capital	31500	31500	52500	52500	87500	87500	87500	145833	145833	145833
Reserves	173175	261944	323298	430883	497416	621744	753092	772263	768841	913952
Shareholders' Funds	204675	293444	375798	483383	584916	709244	840592	918096	914674	1059785
Loan Funds	181886	121453	218582	230597	347524	567231	652846	543683	251608	242555
Total Source of Funds	386561	414897	594380	713980	932440	1276475	1493438	1461779	1166282	1302340
	(9 mths.)							(10 mths.)		
Total Income	231566	346389	445721	541850	566906	752372	745575	856612	743947	1008567
Total Expenditure	110251	176884	241415	291928	351060	509918	499361	653685	553927	706983
Profit Before Taxation	121315	169505	204306	249922	215846	242454	246214	202927	190020†	301584
Profit available for appropriation (After Tax & Adjustments for prior years, if any)	54315	102944	108604	136460	144846	172454	180348	136505	91201	193236
Retained Earnings for the year	43290	88769	82354	107585	101533	124329	131348	77504	52171	145111
Dividend Paid/Payable	11025	14175	26250	28875	39375	43750	43750	48125	40833	48125
Dividend Tax	—	—	—	—	3938	4375	5250	10876	(1803)	—
Dividend Percentage	*35	45	*50	55	*45	50	50	*33	28	33
Earning per share (Rs.)										
Before exceptional charge	17.2	32.7	20.7	26.0	16.5	19.7	20.6	9.4	8.2	13.3
After exceptional charge									6.3	

* On the increased Capital Base

Net of Deferred Tax Liability

† Profit before tax and exceptional charge of Rs. 411 (previous year 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

Registered Office : Thomas Cook Building, Dr. D. N. Road, Fort, Mumbai 400 001

PROXY FORM

Folio No. _____ DP ID No. _____ Client ID No. _____
I/We _____
of _____ being a member/members of
the above named Company, hereby appoint _____
of _____
or failing him _____ of _____
as my/our proxy to vote for me/us on my/our behalf at the TWENTY-SIXTH ANNUAL GENERAL MEETING
of the Company to be held at 3.30 p.m. on Monday, the 24th of February, 2003 and at any adjournment/s thereof.

Signed this day of , 2003

Signature

Affix
Rupee 1
Revenue
Stamp

Note: Proxy forms must reach the Company's Registered Office not less than 48 hours before the Meeting.

----- TEAR HERE -----



Thomas Cook (India) Limited

Registered Office : Thomas Cook Building, Dr. D. N. Road, Fort, Mumbai 400 001

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting hall

..... Name of the attending Member (in Block Letters) Folio No.	DP ID No. _____ & Client ID No. _____
..... Name of Proxy (in Block Letters) (To be filled in if the Proxy attends instead of the Member/s)		

No. of Shares held _____

I hereby record my presence at the TWENTY-SIXTH ANNUAL GENERAL MEETING of the Company held at Y. B. Chavan Auditorium, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai - 400 021 at 3.30 p.m. on Monday, the 24th of February, 2003.

.....
Member's/Proxy's Signature
(To be signed at the time of handing over this slip)

Note : Please bring your copy of the Annual Report to the Meeting hall.

For Office use :

TEN FINANCIAL YEARS' PERFORMANCE

	(Rs. in Thousands)									
	1993 Rs.	1994 Rs.	1995 Rs.	1996 Rs.	1997 Rs.	1998 Rs.	1999 Rs.	2000 Rs.	2001 Rs.	2002 Rs.
Fixed Assets	86403	117354	124866	267181	352698	429931	447509	450068	449583	445920
Investments	—	2500	2500	2500	2500	2500	2500	74373	29774	30236
Net Current Assets	300158	295043	467014	444299	577242	844044	1018406	925157	682674#	824225#
Misc. Expenditure	—	—	—	—	—	—	25023	12181	4251	1959
Total Application of Funds	386561	414897	594380	713980	932440	1276475	1493438	1461779	1166282	1302340
Capital	31500	31500	52500	52500	87500	87500	87500	145833	145833	145833
Reserves	173175	261944	323298	430883	497416	621744	753092	772263	768841	913952
Shareholders' Funds	204675	293444	375798	483383	584916	709244	840592	918096	914674	1059785
Loan Funds	181886	121453	218582	230597	347524	567231	652846	543683	251608	242555
Total Source of Funds	386561	414897	594380	713980	932440	1276475	1493438	1461779	1166282	1302340
	(9 mths.)							(10 mths.)		
Total Income	231566	346389	445721	541850	566906	752372	745575	856612	743947	1008567
Total Expenditure	110251	176884	241415	291928	351060	509918	499361	653685	553927	706983
Profit Before Taxation	121315	169505	204306	249922	215846	242454	246214	202927	190020†	301584
Profit available for appropriation (After Tax & Adjustments for prior years, if any)	54315	102944	108604	136460	144846	172454	180348	136505	91201	193236
Retained Earnings for the year	43290	88769	82354	107585	101533	124329	131348	77504	52171	145111
Dividend Paid/Payable	11025	14175	26250	28875	39375	43750	43750	48125	40833	48125
Dividend Tax	—	—	—	—	3938	4375	5250	10876	(1803)	—
Dividend Percentage	*35	45	*50	55	*45	50	50	*33	28	33
Earning per share (Rs.)										
Before exceptional charge	17.2	32.7	20.7	26.0	16.5	19.7	20.6	9.4	8.2	13.3
After exceptional charge									6.3	

* On the increased Capital Base

Net of Deferred Tax Liability

† Profit before tax and exceptional charge of Rs. 411 (previous year 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.

TEN FINANCIAL YEARS' PERFORMANCE

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Fixed Assets	86403	117354	124866	267181	352698	429931	447509	450068	449583	445920
Investments	—	2500	2500	2500	2500	2500	2500	74373	29774	30236
Net Current Assets	300158	295043	467014	444299	577242	844044	1018406	925157	682674#	824225#
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Capital	31500	31500	52500	52500	87500	87500	87500	145833	145833	145833
Reserves	173175	261944	323298	430883	497416	621744	753092	772263	768841	913952
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Total Source of Funds	386561	414897	594380	713980	932440	1276475	1493438	1461779	1166282	1302340
	(9 mths.)							(10 mths.)		
Total Income	231566	346389	445721	541850	566906	752372	745575	856612	743947	1008567
Total Expenditure	110251	176884	241415	291928	351060	509918	499361	653685	553927	706983
Profit Before Taxation	121315	169505	204306	249922	215846	242454	246214	202927	190020†	301584
Profit available for appropriation (After Tax & Adjustments for prior years, if any)	54315	102944	108604	136460	144846	172454	180348	136505	91201	193236
Retained Earnings for the year	43290	88769	82354	107585	101533	124329	131348	77504	52171	145111
Dividend Paid/Payable	11025	14175	26250	28875	39375	43750	43750	48125	40833	48125
Dividend Tax	—	—	—	—	3938	4375	5250	10876	(1803)	—
Dividend Percentage	*35	45	*50	55	*45	50	50	*33	28	33
Earning per share (Rs.)										
Before exceptional charge	17.2	32.7	20.7	26.0	16.5	19.7	20.6	9.4	8.2	13.3
After exceptional charge									6.3	

* On the increased Capital Base

Net of Deferred Tax Liability

† Profit before tax and exceptional charge of Rs. 411 (previous year 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

Registered Office : Thomas Cook Building, Dr. D. N. Road, Fort, Mumbai 400 001

PROXY FORM

Folio No. _____ DP ID No. _____ Client ID No. _____
I/We _____
of _____ being a member/members of
the above named Company, hereby appoint _____
of _____
or failing him _____ of _____
as my/our proxy to vote for me/us on my/our behalf at the TWENTY-SIXTH ANNUAL GENERAL MEETING
of the Company to be held at 3.30 p.m. on Monday, the 24th of February, 2003 and at any adjournment/s thereof.

Signed this day of , 2003

Signature

Affix
Rupee 1
Revenue
Stamp

Note: Proxy forms must reach the Company's Registered Office not less than 48 hours before the Meeting.

----- TEAR HERE -----



Thomas Cook (India) Limited

Registered Office : Thomas Cook Building, Dr. D. N. Road, Fort, Mumbai 400 001

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting hall

..... Name of the attending Member (in Block Letters) Folio No.	DP ID No. _____ & Client ID No. _____
..... Name of Proxy (in Block Letters) (To be filled in if the Proxy attends instead of the Member/s)		

No. of Shares held _____

I hereby record my presence at the TWENTY-SIXTH ANNUAL GENERAL MEETING of the Company held at Y. B. Chavan Auditorium, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai - 400 021 at 3.30 p.m. on Monday, the 24th of February, 2003.

.....
Member's/Proxy's Signature
(To be signed at the time of handing over this slip)

Note : Please bring your copy of the Annual Report to the Meeting hall.

For Office use :