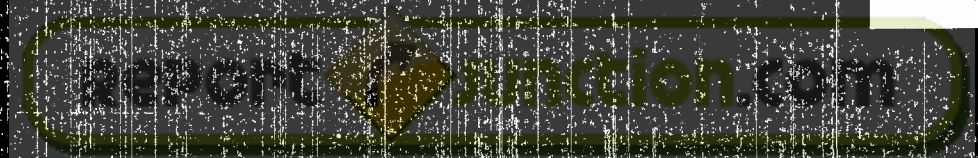


2008
2009



THE
UNTOLD
STORY



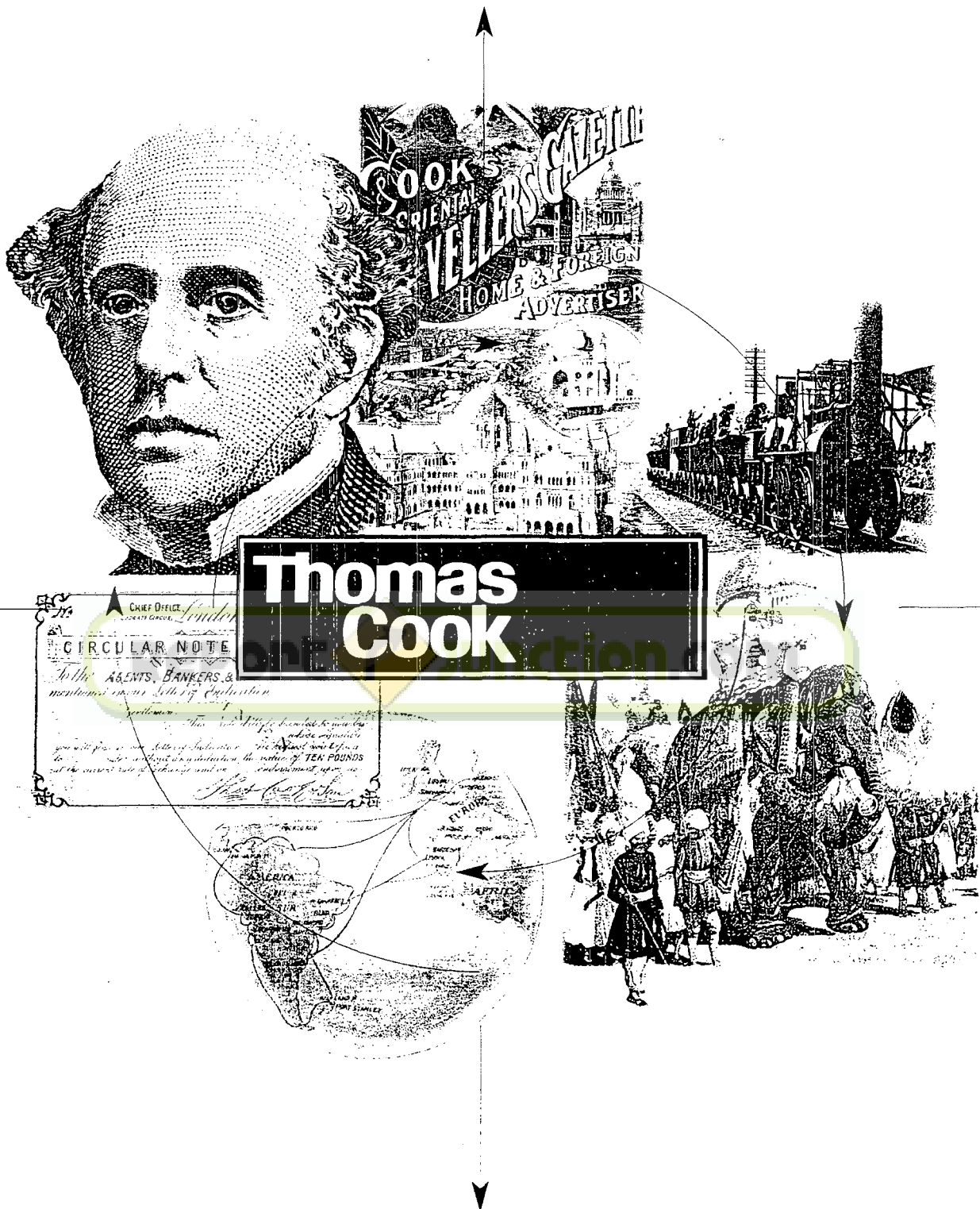
This Annual Report is more than just a business summary. It illustrates the story of Thomas Cook. It narrates an odyssey of innovation and adventure, of challenge and resolution. It recites a saga of human endeavour. It brings to focus the enterprising spirit that has made Thomas Cook a household name.

The story sketches the metamorphosis of Thomas Cook from a family concern to an international travel and financial conglomerate. It records the growth and development of a multi-faceted, modern company, with an imaginative range of services, a global network of offices, and a pioneering spirit.

The immediate appeal of this story lies not only in the sheer excitement of innovations in travel and tourism. It also lies in the enormous social and economic consequences that it gave rise to. The growth of a mass movement – tourism – that dwarfs the great migrations of the past, and sustains one of the largest industries in the world.

The story relates that, while extending its international scope with entrepreneurial zeal, the company strives to maintain the tradition of personal service, which was the hallmark of its founder.

In short, the story portrays the founders and the foundations of popular tourism.



In the last century, two men set out
to put their names on the world.
Napoleon failed.

Thomas Cook succeeded.

On a spring's day in 1841, a young man named Thomas Cook took the first step on a voyage of conquest. Accompanied by a trainload of fun-seekers, he set out on the 11-mile journey from Leicester to Loughborough. Somewhere along that scenic route, modern tourism was born.

Soon, Cook & Sons were escorting travellers to every corner of the world. From the sylvan sands of the French Riviera to the savage grasslands of the Savannah. All you had to do was name your preference, and Thomas Cook would take you there.

Thomas Cook was on its way to becoming the world's most well-known and trusted name.

Satisfying every travel need, from holidays and business travel to foreign exchange, travellers cheques and credit cards. Maharajas and pilgrims, armies and families, all went with Thomas Cook.

The story continues even today. Thomas Cook is the world's largest travel and financial services company.

Present in 188 countries, employing over 13,000 people, serving more than 20 million customers every year. In India, we've been a guiding light to travellers for well over a century.

If the world is a smaller place, it's thanks to Thomas Cook's brilliant idea. An idea that hasn't just bridged continents, it's spanned generations.

The world turns to
Thomas Cook

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Chairman

MD	/		BKC	/
CS	/		DPV	/
RO	/		DIV	/
TRA	/		AC	/
ACM	/	/	SEE	/
YE	/	/		

L. PORTER (Alternate to Mr. U. Zierke)

I. G. SHAHANI Executive Director

Auditors

Lovelock & Lewes

Solicitors

Crawford Bayley & Co.

Principal Bankers

The Hongkong & Shanghai Banking Corporation Ltd.

ANZ Grindlays Bank plc.

State Bank of Bikaner & Jaipur

State Bank of India

Registered Office

Thomas Cook Building

Dr. Dadabhai Naoroji Road

Mumbai - 400 001

Registrar and Share Transfer Agents

Tata Share Registry Ltd.

Army Navy Building

148, M. G. Road

Fort, Mumbai - 400 001

DIRECTORS' REPORT

TO THE MEMBERS:

Your Directors have pleasure in presenting the Twenty-first Annual Report, together with the Balance Sheet and Profit and Loss Account for the year ended 31st December, 1997.

The Company has produced consistent results during the year ending 31st December, 1997, despite keen competition affecting all the areas of the Company's activities and overall gloomy economic & political conditions.

	Jan./Dec. (1997)	Jan./Dec. (1996)
(Rupees in lakhs)		
Profit before Taxation	2158.46	2499.22
Provision for Taxation	750.00	1100.00
Excess provision for Taxation for earlier years written back	40.00	—
Profit after Taxation	1448.46	1364.56
Transferred to Reserve U/S 80 HHD of the Income Tax Act, 1961	125.00	150.00
Transferred to General Reserve	1000.00	1000.00
Proposed Dividend (Previous year's Subject to Tax)	393.75	288.75

All the core activities of the Company fared well during the period. The liberalisation policies continued to have a favourable impact on the Company's business. However, the activities of the licensed Full-Fledged Money Changers have increased the level of competition, thereby

affecting the Company's overall foreign exchange operations.

At present your Company is operating through its 40 locations in 13 cities of India.

Your Company has won the prestigious National Tourism Award for 'Excellence in Conference Tourism — 1996-97' instituted by the Department of Tourism, Government of India. This award establishes your Company as the largest conference organiser in India.

Your Company has also won two awards at the Association of Business Communicators of India for the 1995 Annual Report (Legs, Wheels, Sails & Wings) and 1996 holiday brochure titled "Excitement & Leisure". Your Company has been appointed by the world's largest holiday resort, Club Med as their selling agent in all over India. This is a significant step in providing quality holiday products to leisure travellers in the country.

CAPITALISATION & RESERVE:

Pursuant to Resolution passed at the last Annual General Meeting, your Directors have allotted the bonus shares in the ratio of 2:3 on the 12th September, 1997, to the shareholders whose names appeared on the Register of Members on 28th August, 1997, being the record date.

As per request made by the shareholders at the last Annual General Meeting, the resolution to

issue Bonus Shares was amended for issue of Fractional Certificates.

The Allotment of Bonus Shares against consolidation of Fractional Certificates was done on 15th December, 1997. The members who were not able to collect three fractional certificates to convert into one equity share, their unconsolidated fractional certificates were consolidated and allotted to Mr. P. P. Madhavji, Chairman of the Company as a Trustee. These shares were sold in the market and sale proceeds are being distributed to the entitled members.

DIVIDEND:

Your Directors are pleased to recommend a dividend of 45%. The dividend absorbs Rs. 3,93,75,000/-.

GENERAL RESERVE:

Your Directors have resolved to transfer Rs. 10,00,00,000/- to General Reserve out of the profits of the Company. In view of the transfers, the total reserves are at Rs. 49,74,15,676/- as at 31st December, 1997.

DIRECTORS:

Mr. M. G. Bhide ceased to be the Director of the Company effective 15th May, 1997 and in his place Mr. O. P. Setia was appointed on 15th May, 1997, as Nominee of State Bank of India and was designated as

Deputy Chairman of the Company. Mr. Setia ceased to be the Director of the Company effective 24th October, 1997 and now in his place Mr. M. R. Ramesh has been appointed as nominee of State Bank of India effective 24th October, 1997.

Mr. John McEwan was appointed as an Additional Director of the Company under Article 118 of the Articles of Association of the Company effective 24th October, 1997. He will hold office upto the date of forthcoming Annual General Meeting and is eligible for re-appointment. The Company has received notices in writing under Section 257 of the Companies Act, 1956, proposing the candidature of Mr. John McEwan as Director of the Company.

The Board of Directors have appointed Mr. Ashwini Kakkar as Additional Director of the Company and he has been also appointed as 'Chief Executive Officer & Managing Director' of the Company for a period of three years effective 16th June, 1997 to 15th June, 2000, by Thomas Cook Overseas Ltd. under Article 140(a) of the Articles of Association of the Company and by Board of Directors, subject to the consent of the Company in General Meeting.

At the last Annual General Meeting held on 15th May, 1997, Mr. I. G. Shahani was re-appointed for a further period of one year effective 1st June, 1997 and Mr. P. P. Madhavji was re-appointed for a period of 3

years effective 1st January, 1998 to 31st December, 2000. At the Board Meeting held on 18th March, 1998, the term of Mr. I. G. Shahani has been extended for a further period of 7 months effective 1st June, 1998 subject to the approval of the Shareholders in the forthcoming Annual General Meeting.

In accordance with Article 131 of the Articles of Association of the Company, Mr. B. Paranjape, Mr. H. S. Billimoria and Mr. U. Zierke retire by rotation and being eligible, offer themselves for re-election.

FOREIGN EXCHANGE

EARNINGS/EXPENDITURE:

The foreign exchange earnings during the year amounts to Rs. 17.84 crores.

During the year, the Company has incurred expenditure in foreign currencies towards interest and bank charges as well as travelling for promotional activities, subscriptions, etc., as disclosed as per Schedule "L", Note 7.

NOTES TO ACCOUNTS:

Your Directors have been advised considering the on going proceedings relating to FERA Notices that it would not have any significant impact on the operations of the Company and hence, notes to the Accounts as appearing in the earlier years have been modified and the current situation is now disclosed as

per Schedule "L", Note 2.

AUDITORS:

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

SUBSIDIARY

COMPANIES:

The audited Statement of Accounts along with the Directors' Report of Thomas Cook Tours Ltd., India Alive Tours Ltd., Indian Horizon Travel & Tours Ltd. and Hindustan Cargo Ltd. for the year ended 31st December, 1997, are separately attached as required under the provisions of Section 212 of the Companies Act, 1956.

EMPLOYEES:

Relations with the employees continued to be cordial throughout the year. Your Directors place on record the appreciation of the effort and dedication of the employees in producing consistent results during the year under review. Keeping in line with the Company's Policy, it continues to place great emphasis on training programmes for all round development of the Staff at all levels. Your Company has been actively concentrating on development of human resources, which is a prime asset for its substantial growth.

INFORMATION
PURSUANT TO
SECTION 217 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. However, as per Section 219(1) (b) (iv) of the Companies Act, 1956, the

Report and Accounts is being sent to all shareholders of the Company excluding the above Statement. Any shareholder interested in obtaining a copy of the said Statement may write to the Secretary at the Registered Office of the Company.

The matter specified in Section 217 of the Companies Act, 1956, to the extent to which they are applicable

to our Company, are incorporated in this Report.

BY ORDER OF THE BOARD
P. P. MADHAVJI A. M. KAKKAR
Chairman CEO &
Managing Director

Mumbai

Dated : 18th March, 1998

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