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ur Vision

To be a globally competitive,
India centric organisation,
with leadership in trading and
integrated businesses;
committed to the delight
of our customers and shareholders.



Adani Exports Limited
Golden Super Star Trading House

BOARD OF DIRECTORS

Shri Gautam S. Adani, Chairman
Shri Rajesh S. Adani, Managing Director
Shri Vasant S. Adani, Whole-time Director
Shri Jay H. Shah
Dr. Pravin P Shah
Dr. A. C. Shah
Shri C. R. Shah
Shri Biswajit Choudhuri, UTI Nominee

COMPANY SECRETARY

Mrs. Birva C. Patel (appt. w. e. f. 10/07/03)

AUDITORS

M/S. Dharmesh Parikh & Co.
Chartered Accountants
Ahmedabad

BANKERS

State Bank of India, Ahmedabad
Bank of India, Ahmedabad
Sumitomo Mitsui Banking Corporation, Mumbai
State Bank of Travancore, Ahmedabad
Development Credit Bank Ltd., Ahmedabad
Societe Generale, Mumbai
State Bank of Hyderabad, Ahmedabad
The Jammu & Kashmir Bank Ltd., Ahmedabad
State Bank of Saurashtra, Ahmedabad

Bank of Baroda, Ahmedabad
Punjab National Bank, Ahmedabad
Andhra Bank, Ahmedabad
IndusInd Bank Ltd., Ahmedabad
Abu Dhabi Commercial Bank Ltd., Mumbai
Canara Bank, Ahmedabad
UCO Bank, Ahmedabad
Syndicate Bank, Ahmedabad

REGISTERED OFFICE

"Adani House"
Shrimali Society, Mithakhali Six Roads
Navrangpura, Ahmedabad - 380 009

SHARE TRANSFER AGENT

Pinnacle Share Registry Private Ltd.
Near Asoka Mills Ltd., Naroda Road
Ahmedabad - 380 025
Ph. No. (079) 220 4226, 220 0591, 220 0582
Fax No. 91-79-220 2963

SHARES LISTED AT

Ahmedabad Stock Exchange
The Stock Exchange, Mumbai
National Stock Exchange, Mumbai



Adani Exports Limited
Golden Super Star Trading House



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(A Subsidiary Company of Adani Global Limited)



DIRECTORS' REPORT

To
The Members,

The Directors have pleasure in presenting the Eleventh Annual Report together with the audited accounts of the Company for the financial year ended 31st March, 2003.

COMPANY'S PERFORMANCE

Despite the continued global slowdown in the financial year 2002-2003, the performance of Indian exports was encouraging. Exports in dollar terms increased by 17.8% during 2002-2003 as against a decline of 0.4% in the previous year. Imports also showed an increase of 16.9% as compared with a marginal increase of 1.7% in the previous year. Your Company with a balanced basket of commodities comprising of both exports and imports extensively participated in this growth.

During the year under review, your Company's total income was Rs. 2872.50 crore (Rs. 2825.55 crore) while gross profit before depreciation, interest and taxation and net profit increased to Rs. 130.91 crore (Rs. 109.64 crore) and Rs. 88.34 crore (Rs. 65.67 crore) respectively. As part of its venture development strategy, your Company earned Rs. 59.68 crore as other income from planned disinvestment.

The overall growth parameters have also been encouraging looking to the nature of commodity business of your Company.

	(Rs. in Crore)*	
Year ended 31st March	2003	2002
Sales and operating earnings	2811.89	2816.42
Other income	60.61	9.13
Gross Profit before Depreciation, Interest and Tax	130.91	109.64
Interest	38.14	41.78
Depreciation	1.85	1.89
Profit before Tax	90.92	65.97
Provision for Tax	2.58	0.3
Profit after Tax	88.34	65.67
Surplus brought forward from previous year	164.43	146.73
Balance available for appropriations	252.77	212.41
Appropriations:		
Dividend on Preference Shares		
Interim	1.43	3.29
Final	0.005	0.03
Dividend on Equity Shares		
Final	6.61	6.61
Tax on Dividend	0.85	0.34
Transferred to		
Preference Share Capital Redemption Reserve	10.00	5.00
Debenture Redemption Reserve	7.50	6.00
General Reserve	40.00	26.71
Balance carried to Balance Sheet	186.37	164.43
Total	252.77	212.41

*1 crore equals 10 million

Considering the difficult economic environment that prevailed globally as well as locally, and the stiff competition in the market, the performance of your Company can be considered satisfactory.

DIVIDEND

Your Directors are pleased to recommend a dividend of 30 percent on equity shares for the financial year ended on 31st March, 2003, which if approved at the forthcoming Annual General Meeting, will be paid to all those equity shareholders whose names will appear on the Register of the Members as on 11th September, 2003. The total dividend will absorb Rs. 7.46 crore, including tax thereon.

Interim dividend for 2002-2003 on Cumulative Redeemable Preference Shares was paid aggregating to Rs. 142.68 Lacs. Besides, a final dividend on cumulative redeemable preference shares amounting to Rs. 54,247/- for the year 2002-2003 is recommended.

CONTINUING COMPETITIVE EDGE

Your Company consciously pursued its dual role of global commodity business facilitator and venture developer.

• GLOBAL COMMODITY BUSINESS

Your Company blends the broad business group (Agro, Energy, Textiles and Precious Goods) focus with sub-group (Within Agro - Wheat, Castrol, DOC, Sugar, etc. Within Energy - Coal, Petroleum Products, etc.) diversity to effectively manage the overall commodity portfolio. This ensures broad basing its risk profile and garnering diversified skill sets to meet the needs of the highly competitive business scenario.

Our clear outperformers during the year were Coal, Wheat and certain categories of Petroleum products. With the continued rationalisation of policies and market driven approach, your Company would consolidate its dominance in all its business groups.



Adani Exports Limited
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● THE DEVELOPERS` ROLE

Your Company has over the years conceptualised, driven and nurtured several ventures and firmly established its reputation of a successful developer.

***Mundra Port, the infrastructure building venture**

With cumulative cargo handling exceeding 10 Mn MT, Mundra port has firmly become a prestigious creation of Adani Group through impressive cargo -cum-customer built up.

The year saw Mundra becoming the first port in India to directly berth a cape-size vessel with 123,000 MT of coal cargo.

*** Edible Oil, the Brand focused venture**

The edible oil business with its widely accepted "Fortune" brand has truly been our well-thought and implemented venture. Recently in a survey conducted by The Economic Times, the brand "Fortune" was ranked 67th among top 100 FMCG brands in India.

In a relatively short time-frame, this venture has established the largest refined oil consumer pack brand in India with 14% market share as per AC Nielsen ORG MARG latest figures (Jan-Mar `03). It continues to dominate refined soyabean oil category with a commendable 45% market share.

SEGMENT REPORTING

Your Company is a global trading organisation with operations covering a wide range of commodity groups such as, Agro, Energy, Precious Goods and Textiles. In view of the integrated nature of business in its entirety, there are no separate segments within the Company as defined by Accounting Standard 17 (Segmental Reporting) issued by the ICAI.

PREFERENCE SHARE REDEMPTION

During the year under review, your Company has redeemed 1,00,00,000 13.5% Cumulative Redeemable Preference Shares of Rs. 10/- each - Series VI.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report as required under the Listing Agreement with the Stock Exchanges is enclosed as Annexure-III.

FIXED DEPOSITS

During the year under review, the Company has not accepted any deposits from the public.

CORPORATE GOVERNANCE

A separate report on Corporate Governance, along with the Auditor`s Certificate on its compliance, is enclosed as Annexure-IV.

FORMATION OF VARIOUS COMMITTEES

Details of various committees constituted by the Board of Directors are given in the Corporate Governance Report annexed and forming part of this Report.

DIRECTORS

The tenure of Shri Gautam S. Adani as Executive Chairman of the Company expires on 30th November, 2003. Looking at his vast experience in global trading activities, it will be in the best interest of the Company to re-appoint Shri Gautam S. Adani as Executive Chairman for a period of 5 years with effect from 1st December, 2003 on the terms and conditions as detailed in the Explanatory Statement forming part of the Notice of the ensuing Annual General Meeting. The same has also been approved by the remuneration committee at its meeting held on 28th June, 2003.

On review of the duties and responsibilities assigned to Shri Rajesh S. Adani, Managing Director and Shri Vasant S. Adani, Whole-time director of the Company and looking at the time devoted and the increased nature of activities of the Company, the Board of Directors of your Company on recommendation of remuneration committee have decided to increase remuneration payable to them as detailed in the Explanatory Statement forming part of the Notice of the ensuing Annual General Meeting.

During the year under review Shri Biswajit Choudhuri was appointed as nominee Director by Unit Trust of India (UTI) on the Board of your Company.

Dr. P.P. Shah and Shri C.R. Shah, Directors of the Company, retire by rotation, and being eligible offer themselves for re-appointment.

DIRECTORS` RESPONSIBILITY STATEMENT

The Directors confirm that in the preparation of the annual accounts for the year ended March 31, 2003

- The applicable accounting standards have been followed and that no material departures have been made from the same.
- Such accounting policies have been selected and applied consistently and reasonable and prudent judgements and estimates were made 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.
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The annual accounts have been prepared on a going concern basis.



CONSOLIDATED ACCOUNTS

As required under Clause 32 of the Listing Agreement with the Stock Exchanges, consolidated financial statements have been prepared in accordance with the requirements of Accounting Standard 21 on "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India. The audited consolidated financial statements form part of the Annual Report.

SUBSIDIARY COMPANIES

As required under Section 212, of the Companies Act, 1956, the Accounts relating to subsidiary companies i.e. Adani Chemicals Ltd., Adani Global Ltd., Adani Global FZE and Adani Global Pte Ltd. are attached herewith. As the financial year of Adani Global Ltd., Adani Global FZE and Adani Global Pte Ltd. are not coinciding with that of your Company, relevant information as required under Section 212(5) of the Companies Act, 1956, of the said Companies are annexed herewith.

AUDITORS AND AUDITORS' REPORT

The Company's Auditors M/s. Dharmesh Parikh and Co., Chartered Accountants, Ahmedabad, will retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Notes forming part of Accounts are self-explanatory and therefore, do not call for any further comments.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, ETC.

As your Company is a trading unit, the statement containing the information as per Section 217(1)(e) of the Companies Act read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, is not appended. The details of foreign exchange earnings and outgo are appended in the Annexure-I attached herewith.

PARTICULARS OF EMPLOYEES

The particulars of employees as required by Section 217 (2A) of the Companies Act, 1956, and Companies (Particulars of Employees) Rules, 1975, are set out in the Annexure-II to this Report.

PERSONNEL

Your Company believes that it is the people who give the organisation its identity and make any endeavour a success. It is therefore, our constant effort to provide the best work environment and constitute a team that would take the organisation to greater heights in an increasingly competitive global platform. Your Company recruits people who are self-motivated from within, with fire in their bellies, which makes them excel at their work place and compete with fellow colleagues. It enables them to shoulder more responsibilities and be accountable for deliverables. The Board takes on record their whole-hearted commitment to Company's objective.

AWARDS

Your Company was awarded 3rd Highest Exporter as Merchant Exporter / Custom Processing Award from the Soyabean Processors Association of India (SOPA) for the year 2001-02.

ACKNOWLEDGEMENT

The Board of Directors wish to thank the hardworking and conscientious employees at all levels, members, other stakeholders, bankers and other business associates, various officials from State and Central Government for the continued co-operation and unstinted support extended to the Company.

For and on behalf of the Board of Directors

PLACE : AHMEDABAD
DATE : 28TH JUNE, 2003

GAUTAM S. ADANI
Chairman



Annexure to Directors' Report for the year ended 31st March, 2003

ANNEXURE I

FOREIGN EXCHANGE EARNINGS AND OUTGO:

		(Rs. in Lacs)	
		Current year	Previous year
(I)	Foreign Exchange earned (Including Export of Goods on FOB basis)	37628.32	86995.68
(II)	Foreign Exchange used	76518.41	75546.03

ANNEXURE II

A. Information pursuant to Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975.

Sr. No.	Name	Age (yrs.)	Designation	Remuneration Gross (Rs. in Lacs)	Qualification	Date of commencement of employment	Last employment held-Designation and Period for which held
1	Mr. Gautam S. Adani	41	Chairman	30.10/-	S.Y. B.Com	1/12/93	Business
2	Mr. Rajesh S. Adani	39	Managing Director	32.82/-	B. Com.	1/12/93	Business
3	Mr. Vasant S. Adani	48	Whole-time Director	27.91/-	B.A.	7/1/95	Business
4	Mr. Pradeep Mittal	49	President (Coal and Coke)	36.16/-	Diploma in Mktg.	1/1/98	Chief General Manager Karamchand Thapar and Brothers (C.S.) Ltd.

B. Employed for a part of the financial year and were in receipt of remuneration for any part of the financial year at a rate which in aggregate was not less than Rs. 2,00,000/- per month.

Sr. No.	Name	Age (yrs.)	Designation	Remuneration Gross (Rs. in Lacs)	Qualification	Date of commencement of employment	Last employment held-Designation and Period for which held
				----- N I L -----			

Note: Remuneration as above includes Salary, Contribution to Provident and other Funds and other perquisites.



Annexure-III MANAGEMENT DISCUSSION AND ANALYSIS REPORT

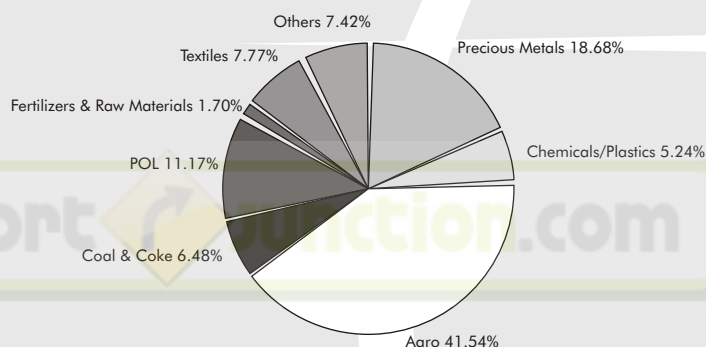
Industry Structure and Development

Indian exports remain one of the swiftest and lucrative sectors of the economy; its market share in the world being at 0.8%. During the fiscal year 2002-03, the performance of the export sector was commendable notwithstanding the severe setback in the overall economic growth and adverse conditions that prevailed in the international markets and after the 9/11 terrorist attacks in the United States and the Iraq war. Indian exports posted a robust 17.8% increase at US \$ 51.8 billion in fiscal year 2002-03 as against a targeted 12% growth. All groups of products and commodities have contributed to the stupendous performance during the year. Agricultural and allied product exports grew by 10.4% as against 1% increase in fiscal 2001-02. Export of ores and minerals was 59.4% higher than the previous year. Manufactured goods exports also registered a 14.9% increase as against 2.7% drop last year.

Imports also maintained a higher growth trajectory at 16.9% as against a 1.7% increase recorded in 2001-02. This growth can primarily be attributed to 26.8% rise in the oil import bill. Import of non-POL commodities witnessed 13.2% increase in 2002-03 as compared to a 7.3% growth in the previous year.

(Source : CMIE Report)

Commodity Wise Performance



A. Agro Commodities

In this year also your Company maintained its status as one of the largest exporters of agro commodities from India. In line with our stated objective of focusing on agro commodities, your Company during the year has emerged as one of the largest exporters of wheat from India. Our major markets continue to be the Middle-East and South East Asia. Castor oil exports continued to grow during the year and your Company is one of the largest exporters of castor oil and its derivatives from India. Rice, which was introduced during the year as an export commodity offer tremendous growth opportunities. During the current year, your Company is planning to export sugar in a big way as India has become cost competitive.

Your Company will continue to focus on its core strengths of being a consolidator and mover of bulk cargo. Trade in wheat, rice, soyabean meal, castor oil, sugar and pulses is expected to grow during the current year and would help in maintaining your Company's status as one of the largest Agro players in India.

B. Textiles

The year, in summary has been one of consolidation. The quality of business has improved significantly with addition of new markets, customers and products. All this has seen considerable value being added to the operations of the desk. New products like cotton grey, knitted fabrics, bed sheets and raw silk have been added to the already existing range of products. We have, in this year, developed new markets like China, Israel, Slovenia and Africa.

Thriving on the strong base of suppliers, one of the basic strength of your Company's textiles business, strategic alliances with partners in related products like grey fabrics, denim, raw silk, cotton and synthetic yarns have been further developed in this year.

The quota free regime from the year 2005 offers us an immense potential to focus on value added products. Your Company is therefore scanning the opportunities to enter the jute and garments business to meet the challenges of post quota free regime from the year 2005.

C. Coal and Coke

During the year Coal and Coke business has achieved growth in sales and in terms of quantity and value of imported coal and coke to the extent of 50% and 28% respectively as compared to last years' performance.

Your Company mainly sources coal from China and Australia. During the year under review your Company signed a long term purchase -supply contract with Shanxi Coal of China for next 3 years.

For the first time in the Maritime history of India, a cape-size vessel with 1,23,000 MT of imported coal had arrived and berthed directly at Gujarat Adani Port Limited Jetty at Mundra and the cargo was discharged in record time.

Based on trading scenario and dynamic changes in coal and coke market at global, Indian and industrial level, your Company has planned to extend its core competency of trading and focusing its future growth strategy through its proven global strategy of 'Asset Based Trading'.



D. Gems and Jewellery

In pursuance of its objective of entering newer avenues in trading, your Company had during the year under review, entered diamond trade with a view to have a modest share in the diamond consumption markets in China and Taiwan.

Your Company is glad to report that the venture has picked up well and for the first year of operation, we were able to achieve good volumes. Your Company has found the trade lucrative in spite of some sluggish outlook in trade due to the economic downturn globally in general and some countries in particular.

Your Company have, therefore, taken a conscious decision to be active in the trade and achieve better volumes in the coming year. Also on the anvil are to add value to the business by exporting cut and polished diamonds to these countries and also to Dubai and European countries.

Your Company is confident of achieving reasonable volumes in the coming year with good margins.

E. Petroleum, Oils and Lubricants (POL)

Your Company trades in following products : (1) Naphtha (2) SKO (Superior Kerosene Oil) (3) FO (Furnace Oil) (4) Bitumen

The major user of these products are industries engaged in generation of power, solvent fuel etc. and bitumen is used for making roads in India. The commodity is imported from middle east countries such as UAE, Dubai, Qatar, etc. During the year under review, your Company imported Naphtha, SKO, FO and Bitumen to the tune of 15749 MT, 225976 MT, 21487 MT and 4586 MT respectively.

Your Company continues to be a major importer of Petroleum products in the private sector. In future, your company plans to trade in Indian market for all type of petroleum products. Your Company hopes to build up handsome volume for the Naphtha, since we have the necessary infrastructure in place in terms of its competitive procurement from the International Market, storage facilities at its port and marketing to its various users in India.

F. Fertilizer and Raw Materials

Fertilizer and Raw Material division of your Company deals in Sulphur and Ammonium Nitrate. During the year 2002-03 the volume of Sulphur and Ammonium Nitrate have witnessed a growth of 30-40% over the previous year with reasonably good profitability. Having executed couple of orders of Ammonium Nitrate successfully, we plan to build up handsome volume of this commodity in the coming year by enlarging the customers base. In the field of Sulphur trading, your Company hopes to expand the business further.

G. Treasury

Your Company is exposed to currency risks and interest rate risks having exposure in foreign currencies arising from exports, imports and foreign currency loans. The treasury acts as a value added service provider and manages effectively the issues as per your Company's comprehensive "Currency Risk Management Policy Framework".

The year 2002-03 has witnessed hyper volatility in the currency market due to Indo-Pak stand off in the beginning and later due to the build up for Iraq war. However Rupee has appreciated over 2.65% against the US \$ on account of huge inflows and accretion to the forex reserves of the Country. Favourable exchange rate coupled with historically low interest rate on US \$ and the Indian Rupee as well have helped generating good margin on the trade and cost saving on the loan portfolio.

Competition/Outlook on opportunities

The global trading is on the threshold of a tremendous opportunity as Government of India has continued with its policy of de-regulating and simplifying the global trading procedures. With high level of government support, development of infrastructure and competitive cost structure, Indian exporters are ideally placed to seize a larger pie of world market.

The export led thrust in wheat business has given a boost to the agro sales of your Company. The establishment of wheat cleaning facility at Mundra Port has created niche clientele for your Company. Due to our ability to move bulk cargo and quick delivery system, repeat buying interest is likely to continue in near future. The depleting world wheat stock is likely to see rise in its demand at higher prices. In spite of Government announcement of decrease in prices, there is likely to be sufficient margins in this trade.

In the POL business, the introduction of Administered Price Mechanism has created a lot of latent demand from the customers who were earlier serviced by the four oil PSU's. Your Company's better services in the form of tankage facility and one window clearance right from purchasing of cargo till the loading on buyer's tankers, backed by port facility and sourcing expertise at Singapore and Arab Gulf region has resulted in providing value added services along with better price for the customers. The Government's continued emphasis on development of highways under the National Highway Authority of India is likely to result in increased demand for Bitumen.

Your Company's ability to source coal, move it in cape-size vessels is un-matched in Indian sub-continent. The consistent supply of coal from China, Australia and South Africa and rail link from Mundra has ensured that landed coal is supplied to the customers "just in time". Due to better quality of imported coal the State Electricity Boards (SEB's) have realised savings, lower cost and better plant load factor. The blending of imported coal with low grade domestic coal is likely to be further replicated by other SEB's in Punjab, Rajasthan and Delhi. Also the increased environmental requirement and lack of progress made in other alternative sources of energy like gas, nuclear energy in the Indian context will make it necessary for the SEB's to use imported coal.



Risk and Concerns

The main risk consist of depressed global economic climate, perception of low international competitiveness of Indian products, WTO and related issues. The SARS crisis is also set to have its effects on the Asian economy. There is a risk of rising competition in the export trade due to lucrative benefits, government support and simplified procedures. The frequent changes in the customs and central excise tariff structures may have adverse impact on the profits of your company. The strengthening of Rupee against Dollar may result in lower export realisation. Prudent risk management policy will help us in countering the possible adverse effects on our bottom lines.

Internal Control Systems and their adequacy

The Company has instituted a system of internal controls and checks which are supplemented by an ongoing program of internal audits. During the period under review, key business processes were audited by the internal auditors and no significant internal control issues were identified. The Audit Committee of the Board, which met four times during the period, actively reviewed internal control systems as well as financial disclosures.

Financial Performance with respect to operational performance

During the year under review, your Company's sales and other income increased to Rs. 2,872.50 crore compared to Rs. 2,825.55 crore during the previous year. The net profit after tax soared to Rs. 88.33 crore as compared to Rs. 65.67 crore during the previous year.

Human Resources

Our Strength - Our People

Because of your Company's presence in markets across the Globe, its employees learn to thrive in a multinational environment. Despite an aggressive work environment your company focuses on empowering and encouraging the entrepreneurial spirit of the organisation with a view to develop and nurture talent in the organisation to energise and thinking radically in finding new avenues for growth.

Your company has a right mix of youthful, energetic and motivated workforce, open workplace environment and a collaborative culture that attributes to teamwork and believes in offering much more than just a job; we strive to give a full-fledged career.

Your Company guarantees high motivation levels through competitive compensation packages, stimulating job content, outstanding development opportunities, and, not the least, an innovative recognition mechanism. The various ways in which your Company recognises its people are listed below.

- Recognition of star performers / high fliers - to recognise outstanding talent
- Nomination to training programmes - to encourage self-development
- Performance-based annual increments - to recognise high performers
- Early confirmations for new employees - to reward high-performing new employees
- Long-service awards - to build organisational loyalty

Management

All details relating to financial and commercial transactions where Directors may have a potential interest are provided to the Board, and the interested Directors neither participate in the discussion, nor do they vote on such matters.

Cautionary Note

Certain statements in the "Management Discussion and Analysis" section may be forward looking and are stated as required by applicable laws and regulations. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of the future performance and outlook.