



DCM SHRIRAM

DCM SHRIRAM INDUSTRIES LTD.

Annual Report 2011-12

DCM SHRIRAM INDUSTRIES LIMITED

Board of Directors	Shri Tilak Dhar	<i>Chairman and Managing Director</i>
	Shri Alok B. Shriram	<i>Dy. Managing Director</i>
	Shri Madhav B. Shriram	<i>Whole-Time Director</i>
	Shri Anil Gujral	<i>Director & CEO (Chemicals & Alcohol)</i>
	Shri P.R. Khanna	
	Dr. V.L. Dutt	
	Shri S. B. Mathur	
	Shri Ravinder Narain	
	Shri S. C. Kumar	<i>IFCI Nominee</i>
Company Secretary	Shri B.P. Khandelwal	<i>Sr. Executive Director</i>
Principal Executives	Shri D.C. Mittal	<i>President</i>
	Shri G. Kumar	<i>Advisor to CMD</i>
	Shri K.N. Rao	<i>Chief Operating Officer (Rayons)</i>
	Shri P.V. Bakre	<i>Sr. Vice President</i>
	Shri N.K. Jain	<i>Chief Financial Officer</i>
Bankers	State Bank of India	
	Punjab National Bank	
	Oriental Bank of Commerce	
	State Bank of Bikaner & Jaipur	
	Punjab & Sind Bank	
	IDBI Bank Limited	
	Karnataka Bank Limited	
	State Bank of Hyderabad	
	Ghaziabad Zila Sahkari Bank Ltd.	
	Bijnor Zila Sahkari Bank Ltd.	
Auditors	A.F. Ferguson & Co.	
	New Delhi	
Registered Office	Kanchenjunga Building,	Tel. No. : (011) 2375 9300
	6 th Floor,	Fax No. : (011) 2335 0765
	18, Barakhamba Road,	e-mail : dsil@dcmsr.com
	New Delhi - 110 001	Website : http://www.dcmsr.com

DCM SHRIRAM INDUSTRIES LIMITED

Registered office : Kanchenjunga Building, 18, Barakhamba Road, New Delhi - 110 001.

NOTICE

The 21st Annual General Meeting of the Company will be held on Monday, the 13th August, 2012 at 10.00 A.M. at the Air Force Auditorium, Subroto Park, New Delhi – 110 010 for transacting the following business:

1. To consider and adopt the Directors' Report, the Audited Balance Sheet as at 31st March 2012, and the Statement of Profit & Loss for the year ended on that date.
2. To appoint a Director in place of Shri Alok B. Shriram, who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and, if thought fit, to pass the following resolution, with or without modification, as an Ordinary Resolution:

"Resolved that Shri Anil Gujral, who was appointed as a Director in a casual vacancy in terms of Section 262 of the Companies Act, 1956, and holds such office until this Annual General Meeting, be and is hereby appointed as a Director of the Company liable to retire by rotation."

4. To consider and, if thought fit, to pass the following resolution, with or without modification, as an Ordinary Resolution:

"Resolved that Messrs A.F. Ferguson & Co., Chartered Accountants, (Regn.No. 112066W) be and are hereby re-appointed Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting of the Company, at a remuneration to be fixed by the Board of Directors/Audit Sub-committee plus reimbursement of travelling and other incidental expenses, if any, incurred in connection with the audit."

5. To consider and, if thought fit, to pass the following resolution, with or without modification, as an Ordinary Resolution :

"Resolved that:

- pursuant to the provisions of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby given to the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee thereof) for mortgaging and/or charging, on such terms and conditions and at such time or times, and in such form or manner, as it may deem fit, the whole or substantially the whole of the present and future movable and immovable assets of the Company's undertaking/s, more specifically stated herein below, in favour of the following Banks for securing the loan facilities provided by them and mentioned against each of them together with interest or any other charges, expenses and other monies payable to them :-

Banks	Nature of facility	Amount Rs./Cr.	Type of Security
Export Import Bank of India (Exim Bank)	Term Loan	20.00	1st pari passu charge on the fixed assets of the Company, excluding the assets exclusively charged and those pertaining to Daurala Organics Unit of the Company and an exclusive charge on assets to be acquired in Daurala Organics out of this term loan.
Dena Bank	Term Loan	25.00	1st pari passu charge on the fixed assets of the Company except those of Daurala Organics and those assets exclusively charged in Shriram Rayons Unit of the Company.

and that the security to be created in the manner aforesaid in favour of the said Banks to secure the said financial facilities shall be by way of first charge, ranking pari passu in all respects with similar charges, if any, already created or to be created on the said properties to secure the existing and/or future borrowings and an exclusive charge on the assets acquired out of the loan from Exim Bank in Daurala Organics Unit of the Company.

- the Board be and is hereby authorised to finalise the agreements and other documents and deeds for creating the aforesaid mortgage/charge, authorise one or more of the Directors to execute such documents and to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for implementing this resolution and to resolve any question or doubt which may arise in relation thereto or otherwise considered in the best interest of the Company.
 - that the mortgage/charge created and/or agreements/documents executed and all acts done in connection with creation of the security in the manner stated above in respect of the said loans already by and with the authority of the Board be and are hereby confirmed and ratified.
 - that pursuant to Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby given to the Board to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the undertaking or substantially whole of the undertaking(s) of the company owning such assets in certain events in favour of banks/ financial institutions, other investing agencies and trustees for the holders of debentures/ bonds/ other instruments to secure rupee/ foreign currency loans and/ or the issue of debentures whether partly/ fully convertible or non-convertible and/or securities linked to ordinary shares (hereinafter collectively referred to as "Loans") provided that the total amount of Loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the Loans, shall not, at any time exceed Rs.1000 crores, the borrowing limit approved by the shareholders u/s 293(1)(d) of the Companies Act, or the aggregate of the paid up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose at the relevant time, whichever is higher."
6. To consider and, if thought fit, to pass the following resolution, with or without modification, as a Special Resolution :

"Resolved that in partial modification of the Resolution dated 7th January, 2011, passed through Postal Ballot process and subject to the provisions of Section 198, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, (including any amendments thereto or enactments thereof for the time being in force) and subject to any approval as may be required, the consent and approval of the Company be and is hereby accorded to revise the limit of minimum remuneration payable to Shri Anil Gujral, Whole Time Director of the Company, in the event of absence or inadequacy of profits in any financial year, as per and subject to the limits laid down under Para 1(B) of Section II of Part II of Schedule XIII of the Companies Act or any amendments thereto or such higher amounts subject to such approvals as may be required, w.e.f. 1st April, 2011 till the remaining tenure of the present appointment of Shri Anil Gujral, expiring on 31st January, 2014 without changing any other component of the remuneration set out in the aforesaid shareholders resolution of 7th January, 2011."

By order of the Board
For DCM SHRIRAM INDUSTRIES LIMITED



(B.P. Khandelwal)

Sr. Executive Director & Co. Secretary

New Delhi
30th May, 2012

NOTICE (Continued)

NOTES:

1. Explanatory Statement, as required under Section 173(2) of the Companies Act, 1956, is annexed.
2. Please notify change of address, if any, to the Company/ Registrars/ Depository Participants along with self attested proof of residence and copy of PAN Card.
3. The Register of Members and the Share Transfer Books of the Company shall remain closed from 25.07.2012 to 13.08.2012 (both days inclusive).
4. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM IS ATTACHED.
5. **Profile of Directors retiring by rotation:** At the ensuing Annual General Meeting Shri Alok B. Shriram and Shri Anil Gujral, retire by rotation and being eligible offer themselves for re-appointment (Item Nos. 2 & 3). Brief resume and other requisite information about these Directors are given below :

- a) Shri Alok B. Shriram, aged 51 years, has 31 years of experience in various management positions. He has done his Graduation from Shriram College of Commerce. He is presently Dy. Managing Director of the Company and is looking after the Rayons Division. He is also Chairman & Managing Director of DCM Hyundai Limited.

Shri Alok B. Shriram holds 34536 equity shares in the Company.

Shri Alok B. Shriram is the Chairman of the Economic Affairs Committee of the PHD Chamber of Commerce and Industry. He is a Member of the Shareholders' Committee and the Committee for approving Borrowings of the Company and is a director on the Board of following other companies:

- (i) MC-Stitch Ltd. (ii) Quick Lithographers Pvt. Ltd., (iii) Pee Kay Alkalies Pvt. Ltd.
(iv) Shriram Midivisana Engg. Pvt. Ltd. and (v) Converttech Equipment Pvt. Ltd.

Except Shri Tilak Dhar, Shri Madhav B. Shriram who are related to Shri Alok B. Shriram and Shri Alok B. Shriram, none of the other directors of the Company is interested in the resolution.

- b) Shri Anil Gujral – Please see Explanatory statement to Item Nos. 3 & 6 annexed hereto.
6. **As a Green initiative in corporate governance, the Ministry of Corporate Affairs vide circular no.17/2011 dated 21.4.2011 has allowed companies to send official documents to their shareholders through email by giving an advance opportunity to every shareholder to register their email address and changes therein from time to time with the Company's Registrars/ Depository Participant concerned. Accordingly, members are requested to intimate their email address to the Company's Registrars, viz. Karvy Computershare Pvt. Ltd. (Email ID: einward.ris@karvy.com) or their depository participant.**

ANNEXURE TO NOTICE

[Explanatory Statement under Section 173(2) of the Companies Act, 1956]

ITEM NO. 5

The Company avails financial facilities from Banks and Financial Institutions etc. from time to time. Usually such borrowings, in addition to charge on movable assets, are required to be secured by mortgage/charge on the immovable assets of the Company in the manner desired by the lenders and agreed to by the Company. In some cases the lenders are also vested with a right to takeover the whole or substantially whole of the undertaking in certain events. Creation of mortgage/charge with such a condition, subject to the approval of the existing charge holders, requires approval of shareholders u/s 293(1)(a) of the Companies Act, 1956.

It is also proposed to seek authorisation of the shareholders in favour of the Board/ Committee thereof to create mortgage/ charge on the assets of the Company as proposed in the resolution as and when required to secure future borrowings within the overall borrowing limit laid down by the shareholders u/s 293(1)(d) of the Companies Act, 1956, from time to time, which presently is Rs.1000 crore.

None of the directors is concerned with or interested in the resolution.

ITEM NO. 3 & 6

Shri Anil Gujral, aged 66 years, was appointed as a Director by the Board of Directors in its meeting held on 13.11.2010 in the casual vacancy caused by the retirement of Shri G. Kumar, a director liable to retire by rotation and was appointed as a Whole Time Director subject to such approvals as may be required for 3 years from 01.02.2011. He was designated as 'Director & CEO (Chemicals & Alcohol)'. As per Section 262 of the Companies Act, 1956, he holds office until the ensuing Annual General Meeting. Notice u/s 257 of the Companies Act has been received from a member signifying his intention to propose his candidature for the office of Director at the forthcoming AGM.

The Sugar industry has been passing through a difficult phase for the last over 2 years particularly in Uttar Pradesh (U.P.) because of the mismatch in the cane price and sugar price. As a result the Company, as other sugar companies in the region, suffered loss in the year ended 31.3.2012.

As per the terms of appointment and remuneration of Shri Anil Gujral, as approved by the shareholders, in case of absence or inadequacy of profits in any financial year, Shri Anil Gujral, like other managerial personnel in the Company, is entitled to minimum remuneration as per Para 1 (A) of Part II, Section II of Schedule XIII of the Companies Act, which in case of the Company is not exceeding Rs.2 lac per month or Rs.24 lacs in a year. The remuneration paid to Shri Anil Gujral during the year, though within the limits laid down by the shareholders, exceeded the minimum remuneration limits by Rs. 8.07 lacs. Considering Shri Anil Gujral's over 44 years of experience, contribution to the operations and the salary trend in the industry, the Board of Directors, on the recommendation of the Remuneration Committee, has decided to revise the minimum remuneration payable to Shri Anil Gujral as per limits under Para 1(B) of Part II, Section II of the Schedule XIII, effective from 1.4.2011 and for the remaining period of his tenure i.e. upto to 31.1.2014, subject to approval of the shareholders. The minimum remuneration in terms of the said Para 1(B) will not exceed Rs.4 lacs per month or Rs.48 lacs in a year.

The remuneration and other terms and conditions governing the appointment of Shri Anil Gujral are as under:

Particulars	Remuneration
Present salary	Rs.1,38,000 p.m. in the grade of Rs.1,26,000-12,000-1,50,000
Housing	Company maintained accommodation or HRA @ 60% of salary.
Gas, Water, Electricity, Furniture and Furnishings & Maintenance	Actual
Medical expenses	Reimbursement of actual medical expenses incurred for self and family.
P.A. Insurance (p.a.)	Rs.4000 + Service tax as applicable
L.T.A./Leave / Encashment / PF, Gratuity & Superannuation	As per Company Rules
Club Fees (Admission/ life membership fee not allowed)	2 Clubs
Date of Annual Increment	1 st February
Annual Reward	Annual reward as may be decided by the Board but not to exceed 50% of annual salary.

I. General information:

1. Nature of Industry: The Company's business comprises of sugar, alcohol, power, chemicals and rayon, the core business being sugar.
2. Date or expected date of commencement of commercial production: The Company has been in the business for many years.
3. Financial performance based on given indicators (Rs./ Cr.)

	2009-10	2010-11	2011-12
Turnover	874	913	1001
Net Profit as computed u/s 198	62.40	--	--
Net Profit/ (Loss) as per Statement of P & L	38.93	(5.5)	(17.39)
Amount of dividend paid	7.83	--	--
Rate of dividend declared	35%	--	--
Export performance and foreign exchange earnings	191	186	244
Foreign investments or collaborations, if any	--	--	--

II. Information about the appointee:

Age	66 years
Qualification	B.E.(Hons.)
Experience	44 years in the Group at various senior management positions. Was Executive Director/ Whole-time Director of Daurala Organics Ltd., till its merger with the Company in 2005.
Other Directorships	Jt. Managing Director of Daurala Foods & Beverages Pvt. Ltd.- a subsidiary of the Company. While holding the appointment of Whole-time Director in the Company, Shri Anil Gujral will not be drawing any remuneration from the subsidiary.

1. Background details: Given above
2. Past remuneration: Rs.3.91 lacs (2010-11) – part of the year
3. Job profile and suitability: He is presently looking after the Chemical and Alcohol business of the Company. He is a B.E (Hons.) with 44 years of experience.
4. Remuneration proposed: The proposal is to pay Shri Anil Gujral minimum remuneration in the absence or inadequacy of profits in any financial year as per sub-para 1(B) of Part II Section II of Schedule XIII of

the Companies Act, which stipulates a limit of not exceeding Rs.4 lacs per month or Rs.48 lac in a year instead of limits as per Para 1(A) Part II Section II of Schedule XIII i.e. Rs.2 lac per month or Rs. 24 lac in a year, subject to the limits laid down by the shareholders in the resolution dated 7.1.2011.

5. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t the country of his origin): The remuneration proposed to the managerial personnel is comparatively lower than what is prevalent in the industry.
6. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any: Shri Anil Gujral holds one equity share of Rs.10/- in the Company and an HUF of which Shri Gujral is the Karta, holds 30 equity shares. Other than these and the remuneration paid to Shri Anil Gujral there is no other pecuniary relationship with Shri Anil Gujral.

III. Other information:

1. Reasons for loss or inadequate profits: In the year 2009-10 the Company earned a net profit of Rs.38.93 Cr. However, because of the adverse business scenario faced by sugar industry, the Company incurred a loss of Rs.5.5 Cr. in the year 2010-11. Because of the mismatch in the cane price and sugar price the situation continued to be adverse, particularly in U.P. During the year the Company, like other sugar mills in U.P., had to provide cane arrears of Rs. 18.75 Cr as per the Order of the Supreme Court. As a result of these, the Company again incurred a loss of Rs.17.39 Cr. in the year 2011-12.
2. Steps taken or proposed to be taken for improvement: The Company has taken various steps to cut costs in all possible areas. It also enhanced co-generation of power, surplus of which is sold to the grid. However, a turn around in sugar business greatly depends on the Central/ State Govt. policies.
3. Expected increase in productivity and profits in measurable terms: Depends on the Govt. policies towards sugar industry and the general economic conditions in the Country.

IV. Disclosures:

The terms and conditions of appointment and remuneration payable to Shri Anil Gujral are given above. The details of managerial remuneration paid during the year 2011-12 are also given in the Corporate Governance Report annexed to the Directors' Report. The appointment is on contract basis and can be determined by either party giving to the other 3 calendar months notice in writing or lesser notice as may be agreed to. The Company does not have any scheme for grant of stock options.

The Explanatory Statement together with the accompanying Notice may be treated as Abstract u/s 302 of the Companies Act, 1956.

Considering the experience and contribution of Shri Anil Gujral to the operations of the Company, the Directors recommend the Resolution for your approval.

Except Shri Anil Gujral, none of the other directors of the Company, is interested in the resolution.

Interest

Except as indicated under the respective items none of the directors is interested in any of the aforementioned resolutions.

Inspection

- a) Copy of the Notice u/s 257 of the Companies Act, proposing the name of Shri Anil Gujral for director (Item No. 3), copies of terms and conditions of the loans from the Banks (Item 5) and copies of shareholder resolution approving the terms of appointment of Shri Anil Gujral dated 7.1.2011 and Board resolution dated 13.11.2010 (Item no.6) will be open for inspection at the Registered Office of the Company at 6th Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi - 110 001 on all working days between 11.00 A.M. to 1.00 P.M.
- b) Pursuant to the general permission granted by the Ministry of Corporate Affairs by circular No. 2/2011 dated 08.02.2011 the Annual Accounts of the subsidiary company, Daurala Foods & Beverages Pvt. Ltd., are not annexed to the Annual Report. However, a copy of the Accounts of the subsidiary company and the related detailed information will be made available to the shareholders seeking such information at any point of time. The Annual Accounts of the subsidiary shall also be kept for inspection by any shareholder at the address and during the time mentioned in (a) above.

DIRECTORS' REPORT

The Directors have pleasure in presenting the Annual Report and the Audited Accounts of your Company for the year ended 31st March 2012.

Just as the world economy was emerging from the crisis caused by the volatility in South East Asia and the devastating Tsunami and nuclear catastrophe in Japan, a new crisis situation has emerged in the Euro Zone, threatening not only the European economy but other countries around the world, including India.

The Indian economy which had weathered the earlier storms reasonably well has since been affected and growth is stagnating. Internal pressures and uncertainties at various levels are affecting policy and decision making and this is affecting the developmental process. Spiralling inflation and depreciation of the Rupee have compounded the problem and desirable measures such as reduction of subsidies are not being taken. The steps taken by the Government and the RBI have not been enough to achieve the desired results. All concerned will need to act in tandem in matters of national interest, which presently is not happening, causing concern.

FINANCIAL RESULTS

Turnover for the year including other income for the first time crossed the rupees thousand crore mark at Rs.1001 Cr. against Rs.913 Cr. in the previous year. There was a gross profit of Rs.13.2 Cr. before exceptional item as compared to Rs.10.2 Cr. in the previous year and net loss of Rs.17.4 Cr. as compared to net loss of Rs.5.5 Cr. in the previous year.

In view of the net loss for the year under review, the Directors have not recommended any dividend for the year.

OPERATIONS

Sugar

During the year Company achieved a sugar production of 1.32 lac MT by crushing 15.06 lac MT of cane as against 1.38 lac MT of sugar and 15.10 lac MT of cane crushed in the previous year.

The Company has been endeavouring to increase its revenue from co-generation of power and towards this end made changes to achieve a peak export of 25 MW as against 23 MW last year.

The financial year 2011-12 was turbulent for the sugar industry especially in U.P. Besides low sugar prices and low recovery in the region, the U.P. sugar industry faced a serious mismatch of sugar cane and sugar prices. The State Government further increased the SAP for cane payable by the industry. Additionally, the Supreme Court passed an adverse judgement directing sugar factories to pay cane price differential for the previous two years. The Company had to pay Rs.18.75 crores on this account.

On the other hand, sugar prices remained soft because of weak sentiment and traders' reluctance to carry inventory due to uncertainties in marketing policies. The prices were further impacted by sale of sugar by some mills against Court Orders. Sugar prices which at the beginning of the year were Rs.2900 per qtl. remained range bound through-out the year, though the cane price increased by 17% over last year.

During the year, Government took some positive steps such as allowing 3 Million MT of exports and replacing the monthly release mechanism by quarterly releases for the current year. Though these steps have stabilised the sugar prices despite surplus sugar production in the Country, more needs to be done to provide relief and stability to the Industry. Considering a projected surplus sugar position, Government's support would be essential to keep the sugar industry on an even keel.

The Unit's performance during the season on key operating parameters such as cane crushed, sugar losses, steam consumption and co-generation of power was satisfactory. Recovery in the entire region was adversely impacted by climatic and other agronomic conditions.

Alcohol

The overall performance and profitability of the Alcohol Business improved relative to the previous year due to improved selling prices and increased sales of high value added products (Anhydrous Alcohol and

Extra Neutral Alcohol). Also, there were improvements in efficiencies and reduction in energy consumption. Overall demand for alcohol increased in most sectors, except for blending with petrol where the demand remained static.

Chemicals

The profitability of the Chemical business was adversely affected by a sharp increase in the cost of several raw materials, which could only be partially passed on to the market, as Chinese competitors, faced with surplus capacity and stocks, adopted aggressive pricing and marketing strategies. To mitigate the impact of the above, the Company continues to focus on new products and process/efficiency improvement.

Rayon

In spite of difficult global market conditions, especially in Europe, Shriram Rayons (SR) achieved its highest ever turnover during the year. Increase in sale, both in export and domestic markets, coupled with improved realisation helped the Unit achieve the same.

SR consolidated improvement in product quality and operational efficiency leading to wider acceptance of its products.

With regular off-take of greige and treated fabric by two new European tyre customers, SR has been able to achieve higher value addition and export volumes. The Unit is pursuing approval of its products with new customers and expects further increase in export volumes.

To meet the market requirement, the Unit is implementing a project for Rayon expansion and modification. The yarn production capability is being increased by modification of the existing machines and installing balancing equipment. The higher fabric requirement anticipated will be met through enhancement of conversion capacity in the Textile Section.

Considering consistent growth in sale of Nylon Chafer, SR has upgraded nylon chafer dipping facilities during the year. Steps are being taken to increase the grey chafer conversion capacity.

SR further increased agro-fuel consumption and met 35% of the fuel requirement from renewable sources during the year to control energy cost and to promote clean fuel usage.

Subsidiary

The Company having acquired/ taken on lease its bottling facilities, Daurala Foods & Beverages Pvt. Limited's operations remain suspended.

RESEARCH & DEVELOPMENT

Research & Development is integral to an industry to maintain/ improve the quality of products and services so as to make them competitive and economical. R & D is also essential to innovate and invent new products and improve efficiency in operations. This is particularly important in the case of chemicals, drug intermediaries and energy. The Company has R & D facilities to match its operations. These facilities are upgraded from time to time according to operational requirements.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) of the Companies Act, 1956 your Directors state:

- While preparing annual accounts the applicable accounting standards had been followed.
- The Company had selected such accounting policies and applied them consistently and made judgements that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for the period.
- That the Company had taken 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.
- That the Company had prepared the annual accounts on a going concern basis.