ARAT ELECTRO CHEMICALS PRIVATE LIMTIED,AHMEDABAD

DIRECTOR'S REPORT TO THE MEMBERS

The Directors have pleasure in prsenting 50th Annual Report together with the audited statement of Accounts for the Year ended on 31st March,2014

1 FINANCIAL RESULTS:

		FOR THE YEAR ENDED ON 31-03-2014 Rupees (In lacs)	31-03-2013 Ruppes (In lacs)
Sales		182	272
Gross Profit (Loss) before Interest,Depreciation, & Provision for Taxation		(32.12)	(25.17)
Add:: Interest	5.39		(12.00)
Depreciation	2.80		(3.46)
		8.19	(15.46)
		(40.31)	(40.63)
less: Provision for Taxation		-	-
PROFIT (+)/ LOSS(-)		(40.31)	(40.63)
Add: Balance brought forward from account of Previous year		100.45	141.08
BALANCE CARRIED TO TO BALANCE SHEET		60.14	100.45

2 OPERATIONS:

		CURRENT YEAR		PREVIOUS YEAR	
		TONS:	AMTS.	TONS:	AMTS.
	SALES: Manufactured Goods:				
I	Zinc metal	NIL	NIL	39.236	42.00
ii	Zinc sulphate	513.320	201.00	606.28	221.00
iii	Rock Salt	25.575	3.08	43.95	9.00

3 BUSINESS PERFORMANCE:

The total Sales of the company is Rs.182.00 lacs as against 272.00 lacs showing 33.00 % decrease in total sales.If we analysis, Product wise sales, sales of Zinc Metal is Rs. NIL lacs as against 42.17 lacs showing 100.00 % decrease in sales.

However Sale of zinc sulphate is Rs.201 lacs as against Rs.221 lacs in previous year. showing 9% increase in sales and average selling price is

Rs.39083- per M. tons as against Rs.36472 per M. Tons showin 07 % rise in price.

4 Raw Materils used by the company is in prohibited list and is subject to strictest imports restriction.Moreover, fluctuation in international prices of raw materials & crude oil & fluctuating rather weaking rupee had great impact on cost of raw materials being imported into india and in turn have adverse effect on cost of production.

5 PRODUCTION:

Recovery of Zinc metal is NIL M. tons (P. Y. 39.336 M. Tons) showing nearly 100% decrease in production. Production of Zinc sulphate is 378.450 M Tons (P.Y.415.200M Tons) showing 9.00 % approx decrease in volume.

6 **FUEL:**

a Eletricity consumption:

The cost of Eletricity consumption is Rs.14.96 LACS (P.Y.Rs.16.13 lacs). Total No. of units consumed is 182638 units.(P.Y.214207 units).The cost per unit is Rs. 8.20 (P.Y..6.01 per units) showing 36.39 rise in price.

b Wood:

Wood consumption during the year is Rs.26,11,670/- (P.Y 25.00 lacs), quantity consumed 721.485 M. Tons.(P.Y.707.670 MT) The cost per Ton is 3620/-/- per M. Tons (P.Y.Rs.3532/- per M. Tons) showing 2.50 % rise in price. Further Company has wriitern of stock of wood 1700 MT being unsuble , damaged .

7 DIVIDEND:

Your Directors do not recommend any dividend during the Year in view of losses for the Year.

8 TAXATION:

Company do not made provision - during the Year in viwe of losses.

9 INDUSTRIAL RELATION:

Industrial relation remained cordial during the year under review.

10 PUBLIC DEPOSITS:

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

11 PARTICULARS OF EMPLYEES:

Section 217(2A) of the Companies Act, 1956 is not applicable to the Company as no emplyees is in receipt of Salary exceeding the limit prescribed therein.

12 DIRECTORS:

Shri Jayantilal R Shah is to retire by rotation at the forthcoming Annual General meeting and being eligible , offer for reappointment.

13 DIRECTOR'S RESPONSIBILITY STATEMENT :

The Board of Directors of Your company state:

(I) that in the preparation of the annual Accounts , the applicable accounting standarad have been followed subject to notes in schedule XVIII

(ii) that the Directors have selected such accounting policies and applied them consistently and made judgement and estimate that are reasonable and prudent so as to give a true & fair view of the state of affairs of the Company at the end of the Financial Year.

14 CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING ANT OUT GO:

Companies (Disclosure of particulars in the Report of Boaed of Directors) Rules,1988

A. POWER AND FUEL CONSUMPTION:

01. Eletricity Purchased:

Units KWH :	182,638.00
Total Amounts	Rs. 14,96,523
Rate / Units	Rs.8.20

02. WOOD

Qty consumed during the Year M.TONS	1,813.00
Total cost (excluding stock written off 1700 MT)	Rs. 65,62,800
Rate/ tons	Rs. 3334/-

B. FOREIGN INCOME / OUT FLOW:

The Information is given in notes forming part of accounts,schedule XVII. Members are requstec said notes

15 ACKNOWLWDGEMENTS:

Your Directors palce on record their appreciation and assistance rendered by Banks, share holders and emplyess of the company.

For & on behalf of Board

K. R SHAH
MANAGING DIRECTOR

PLACE: AHMEDABAD
DATE: