

OXIDES AND SPECIALITIES LIMITED

23rd

ANNUAL REPORT

2009-10

OXIDES AND SPECIALITIES LIMITED

BOARD OF DIRECTORS

BRIJMOHAN RATHI DIRECTOR

V. B. DALAL DIRECTOR

RAJENDRA KUMAR SANCHETI DIRECTOR

PRAKASH SALOT
FINANCE CONTROLLER
COMPLIANCE OFFICER

STATUTORY AUDITORS
M/s. Indani & Associates
Chartered Accountants

REGISTERED OFFICE
F/1, MIDC, Lote Parshuram,
Taluka Khed, Dist Ratnagiri
Maharashtra – 415722

REGISTRAR &
TRANSFER AGENTS:
Bigshare Services Private Limited
E-2, Ansa Industrial Estate,
Saki Vihar Road, Saki Naka
Andheri (East),
Mumbai - 400 072

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NOTICE

NOTICE is hereby given that the Twenty Third Annual General Meeting of the Shareholders of OXIDES AND SPECIALITIES LIMITED will be held on Wednesday, 29th September, 2010 at 2.00 P.M. at the Registered Office of the Company situated at F/1, MIDC, Lote Parshuram, Taluka Khed, Dist Ratnagiri (Maharashtra) - 415722 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2010 and Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. V. B. Dalal, who retires by rotation and being eligible offers himself for re-appointment.
3. To consider and, if thought fit, to pass, with or without modification(s), the following as an Ordinary Resolution:

"RESOLVED THAT M/s Indani & Associates, Chartered Accountants, be and hereby re-appointed as the Statutory Auditor of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting upon such remuneration as may be fixed by the board."

NOTES:

1. A Member entitled to attend and vote 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 instrument appointing proxy must be deposited with the Company at its Registered Office not less than 48 hours before the Meeting.
2. All documents referred to in the accompanied Notice are open for inspection at the Registered Office of the Company between 10.30 a.m. to 12.30 p.m. on all working days except Saturday and holidays up to the date of Annual General Meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 22nd September, 2010 to 29th September, 2010 (both days inclusive).

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4. Shareholder intending to require information about accounts to be explained at the meeting are requested to furnish queries to the Company at least 10 (ten) days in advance of the Annual General Meeting.
5. Members / Proxies who attend the meeting are requested to bring the enclosed attendance slip duly filled and deliver the same at the entrance of the meeting hall.
6. Members are requested to bring their copies of Annual Report at the time of attending the Meeting.
7. Members are requested to quote Folio Numbers, DP ID & Client ID in all correspondence. Members holding share in identical order of names in more than one folio are requested to write to Company to consolidate their holding in one folio.

**By Order of the Board
For Oxides and Specialities Limited**

**Brijmohan Rathi
Director**

**Place: Navi Mumbai
Date: 17th May, 2010**

DIRECTORS' REPORT**TO THE MEMBERS**

Your Directors have great pleasure in presenting the 23rd Annual Report together with Statement of Accounts for the financial year ended March 31, 2010.

1. FINANCIAL HIGHLIGHTS**(Rs in Lacs)**

PARTICULAR	Year ended 31.03.2010	Year ended 31.03.2009
Sales	9.99	15.20
Other Income	0.27	0.33
Profit /(Loss) Before Depreciation and Tax	(39.88)	(67.94)
Add : Depreciation	163.63	157.25
Profit /(Loss) Before Tax	(203.51)	(225.19)
Provision for tax including Fringe Benefit Tax	-	0.24
Profit/(Loss) after Tax	(203.51)	(225.43)
Balance of (loss) brought forward from previous year	(2719.27)	(2493.84)
Balance Carried to P & L Appropriation A/c	(2922.78)	(2719.27)

2. OPERATIONS AND PRODUCTION

During the period company could not recommence the production as envisaged, due to very high cost of raw materials and severe financial constraint. Presently all production related activities remain suspended. We have reduced the work force to keep the cost at minimum

3. DIVIDEND

In view of the continuing losses your Directors regret that they cannot declare Dividend for the year.

4. FIXED DEPOSIT

The Company has not accepted any Fixed Deposits within the meaning of Section 58A of the Companies Act, 1956 and the rules made there under during the year under review.

5. FUTURE BUSINESS PLANS OF THE COMPANY

In view of the unviable situation with the most of existing products namely MIO and Ferrous Fumarate, company is planning to diversify to other products such as dyes and Intermediate.

As for Ferrous Fumarate the cost of production being very high due to input costs being high, company has decided to stop the production of the same. However efforts are being made to utilize the plant facilities as well as equipment of this plant for production of dyes and intermediate. We have initiated actions to augment these facilities by addition of some more reactors, filters, and some balancing equipments, so that the combined facilities thus created would be utilised for production of Dyes and Intermediates. These are in advance stage of installation/ procurement.

For cost effective production of Yellow pigment we have identified new source, which will reduce and optimize cost of production. The laboratory trials with this are on, and initial results are encouraging. Once the trails are successful we may be able to use the existing facilities with addition of few equipments for production of yellow Pigment.

Company expects to restart the operations by end of the current financial year.

6. DIRECTORS

Mr. V. B. Dalal, a Director, retires by rotation and being eligible offers himself for re-appointment at the forthcoming Annual General Meeting.

The information on particulars of Directors seeking re-appointment as required under Clause 49 of the Listing Agreement executed with the Stock Exchange has been given under the Corporate Governance of this Report.

7. DIRECTORS RESPONSIBILITY STATEMENT

In terms of Section 217 (2AA) of the Companies Act, 1956, your Director's state:

- a. That in the preparation of the annual accounts for the year ended 31st March 2010; the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- b. That they have selected such accounting policies and applied them consistently and made judgments 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 as at 31st March 2010 and of the profit of the Company for the year ended on that date.

- c. That 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.
- d. That the annual accounts have been prepared on a going concern basis.

8. AUDITORS

M/s Indani & Associates, Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and being eligible for re-appointment.

The Company had received confirmation from them to the effect that their re-appointment, if made would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and also that they are not disqualified for such re-appointment within the meaning of Section 226 of the said Act.

9. CORPORATE GOVERNANCE

Pursuant to Clause 49 of Listing Agreement with Bombay Stock Exchange, Management Discussion and Analysis, a report on Corporate Governance and Certificate from the Auditors of the Company regarding compliance of the condition of corporate governance by the Company is attached to this Annual Report.

Further, a declaration signed by the member of the Board affirming compliance with the Code of Conduct by all Board members and Senior Management Personnel is attached to this report.

10. LISTING WITH STOCK EXCHANGE

The Company is temporarily suspended from being traded but it remains listed.

11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Details of conservation of energy, technology absorption, foreign exchange earnings and outgo, in accordance with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is attached as Annexure A

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12. DEMATERIALISATION OF SHARES

Company has dematerialized its shares with both depositories viz. CDSL and NSDL.

13. PARTICULARS OF EMPLOYEE

During the year under review there were no employees receiving remuneration of or in excess of limits prescribed as per the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

14. AUDITORS REPORT

The observation made by the statutory Auditors in their report are self explanatory and do not require any further clarification.

15. ACKNOWLEDGEMENTS

Your directors express their thanks and appreciation for the Cooperation they received from various Government authorities. The Directors also wish to thank and place on record its appreciation for all the employees for the Company.

For and on behalf of the Board

**Place: Navi Mumbai
Date: 17th May, 2010**

**Brijmohan Rathi
Director**

ANNEXURE 'A'

ANNEXURE TO THE DIRECTOR'S REPORT

INFORMATION UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2010.

A. CONSERVATION OF ENERGY

(a) Energy Conservation Measures taken :

- i) Waste streams were incinerated and the heat was recovered as fuel equivalent.
- ii) Electricity consumption was brought down through planned production and judicious usage of equipments.

(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy: Not Envisaged.

(c) *Impact of energy conservation measures :*

Specific energy consumption of fuel oil per ton of steam generated and electricity consumption had come down due to measures adopted in A(a)(i) and (ii) above.

(d) Total energy consumption & energy consumption per unit of production:

Form A of the Annexure to the Rules is not applicable as the company is not covered under the list of specified industries.

B. TECHNOLOGY ABSORPTION

I. Research and Development (R&D)

- | | |
|---|------|
| 1. Specific areas in which R&D carried out by the Company | N.A. |
| 2. Benefit derived as a result of the above R & D | N.A. |
| 3. Expenditure on R & D | N.A. |

II. Technology absorption, adoption and innovation:

- 1. **efforts in brief, made towards technology absorption, adoption and innovation:** The Technology received from collaborators has been fully absorbed and adopted to Indian condition.

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2. **Benefit derived as a result of the above effort:** Complete range of Magnetic Iron Oxides produced for audio, video, computer tapes and floppies.
3. Information in case of technology imported during the last 5 year reckoned from the beginning of the financial year:
 - a) Technology : N.A
 - b) Year of Import : N.A
 - c) Has technology been fully absorbed? : N.A
 - d) If not fully absorbed, area where this has not taken place, reasons therefore & future Plans of action : N.A

C. FOREIGN EXCHANGE

Earnings through Exports Nil

D. OUTGO Nil

For and on behalf of the Board

Place: Navi Mumbai
Date: 17th May, 2010

(Brijmohan Rath)
Director

(R.K.Sancheti)
Director