

**OXIDES AND
SPECIALITIES LIMITED**

26th

ANNUAL REPORT

2012 - 2013

BOARD OF DIRECTORS

Brijmohan Rath

Director

V.B. Dalal

Director

Sangeeta Rath

Director

CHIEF FINANCIAL OFFICER

Prakash Selot

STATUTORY AUDITORS

BKG & Associates,
Chartered Accountants,
Mumbai

REGISTERED OFFICE

F/1, MIDC Area, Lote Parshuram,
Taluka Khed,
Dist Ratnagiri (Maharashtra) - 415722

CORPORATE OFFICE

R-802, T.T.C Industrial Area, Thane-Belapur Road,
Mahape, Navi Mumbai - 400701

REGISTRARS AND SHARE TRANSFER AGENT

Bishare Services Private Limited
E-2, Ansa Industrial Estate, Saki Vihar Road, Saki Naka
Andheri (East), Mumbai - 400072

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OXIDES AND SPECIALITIES LIMITED

NOTICE

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of the Shareholders of **OXIDES AND SPECIALITIES LIMITED** will be held on Saturday 21st September 2013 at 10.00 A.M. at the Registered Office of the Company situated at F/1, MIDC Area, 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 2013 and Audited 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 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** pursuant to the provisions of the Companies Act, 1956 M/s. B.K.G & Associates, Chartered Accountants (Registration No. 114852W), the retiring Auditors of the Company, be re-appointed as Auditors of the Company to hold office from conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting at a remuneration to be fixed by Board.”

SPECIAL BUSINESS:

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

“**RESOLVED THAT** Mrs. Sangeeta Rathi, who was appointed as an Additional Director by the Board under section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting be and is hereby appointed as a Director of the Company.”

NOTES:

- i. **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 COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
- ii. Corporate Members intending to send their authorized representative to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf of the meeting.
- iii. Explanatory Statement as required under section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Meeting is annexed hereto.

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- iv. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
- v. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
- vi. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- vii. Relevant documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days except Saturdays, between 10 a.m. and 1 p.m. upto the date of the meeting.
- viii. The Company has notified closure of Register of Member and Share Transfer Books from Tuesday, 17th September, 2013 to Friday, 20th September, 2013 (both days inclusive).
- ix. Non-Resident Indian Members are requested to inform the Company's Registrar and Transfer Agents, M/s. Bigshare Services Private Limited, immediately of:
 - 1. The change in the residential status on return to India for permanent settlement;
 - 2. The particulars of the Bank Account maintained in India with complete name, branch, and account type, account number and address of Bank with Pin Code Number, if not furnished earlier.
- x. Consequent upon the introduction of Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form2B (which will be made available on request) to the Registrar and Transfer Agent, M/s. Bigshare Services Private Limited.

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

**Brijmohan Rathi
Director**

Place : Navi Mumbai

Date : 14th August, 2013

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

ITEM NO. 6

The Board of Director of the Company has appointed Mrs. Sangeeta Rathi as an additional Director in its Meeting held on 10th November 2012. In accordance with Section 260 of the Companies Act, 1956 and the Article 159 of the Articles of Association of the Company, she holds office upto the date of this Annual General Meeting. She is

OXIDES AND SPECIALITIES LIMITED

also a Director on the Board of Directors of Mystique Media Limited. The Company has received a notice in writing from a member proposing the candidature of Mrs. Sangeeta Rathi for the office of Director under the provision of Section 257 of the Companies Act, 1956. The Board of Director is of view that the vast experience of Mrs. Sangeeta Rathi in various field would be of immense benefits to the Company and hence recommends their appointment for your approval.

None of the Directors of the Company are concerned or interested in the above said resolution except Mrs. Sangeeta Rathi.

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

**Brijmohan Rathi
Director**

**Place : Navi Mumbai
Date : 14th August, 2013**

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DIRECTORS' REPORT

Dear Members,

Your Directors have great pleasure in presenting the 26th Annual Report together with Statement of Accounts for the financial year ended March 31, 2013

1. FINANCIAL HIGHLIGHTS (Rs in Lacs)

PARTICULAR	Year ended 31.03.2013	Year ended 31.03.2012
Sales	0.00	0.00
Other Income	0.00	31.37
Profit /(Loss) Before Depreciation and Tax	(27.17)	(1.36)
Add : Depreciation	(32.35)	(32.33)
Profit /(Loss) Before Tax	(59.52)	(33.68)
Less: Tax	0	0
Profit/(Loss) after Tax	(59.52)	(33.68)
Balance of (loss) brought forward from previous year	(3064.99)	(3117.62)
Balance Carried to P & L Appropriation A/c	(3124.51)	(3064.99)

2. OPERATIONS AND PRODUCTION

During the year under review, the 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 are 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 recommend 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. BIFR RELATED UPDATES

The Draft Rehabilitation Scheme (DRS) submitted by the Company is pending with the Hon'ble BIFR for its approval.

6. FUTURE BUSINESS PLANS OF THE COMPANY

In view of the unviable situation of existing products namely MIO and Ferrous

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Fumarate, the Company is planning to diversify to other products such as dyes and intermediates.

Efforts are being made to utilize the plant facilities as well as equipment of this plant for production of dyes and intermediates. 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 utilized 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 trials are successful we may be able to use the existing facilities with addition of few types of equipment for production of Yellow Pigment.

The Company is in process of restarting the operations of the Company as early as possible.

7. DIRECTORS

In terms of the provisions of Sections 255 and 256 of the Companies Act, 1956 and Articles of Association of the Company, Mr. V B Dalal, Director of the Company retires at the ensuing Annual General Meeting and, being eligible, offers himself for reappointment.

Mrs. Sangeeta Rathi, was appointed as additional director of the Company w.e.f. 10th November, 2012 whose office as such expires on the forth coming Annual General Meeting. The Company has received notice from a member of the Company under section 257 of the Companies Act, 1956, proposing her candidature for the Office of the Director. .

Mr. Ranjendra Kumar Sancheti, have resigned from the Board during the year under review. Your directors wish to place on record their sincere appreciation of the valuable contribution made by them to the Company.

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 Section of this Report.

8. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956 with respect to Directors Responsibilities Statement, it is hereby confirmed:

- i) that in the preparation of accounts for the period ended 31st March, 2013, the applicable Accounting Standards have been followed and there are no material departure;
- ii) that the selected Accounting Policies are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the year end and profit or loss of the Company for that period;

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iii) that proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities;

iv) that the accounts have been prepared on a going-concern basis.

9. AUDITORS AND AUDITORS' REPORT

M/s B K G & Associates, Statutory Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and they are eligible for the reappointment.

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

10. COST AUDIT

M/s C. G. Pampat & Co, Cost Accountants, Mumbai have been appointed as the Cost Auditors of the Company for the financial year 2013-14.

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

12. 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.

13. LISTING WITH STOCK EXCHANGE

The Equity Shares of the Company are listed with the Bombay Stock Exchange Limited. The application for revocation of Suspension of trading is pending with the Exchange.

14. DEMATERIALISATION OF SHARES

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

15. PERSONNEL

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.

OXIDES AND SPECIALITIES LIMITED
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16. 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 of the Company.

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

**Brijmohan Rathi
Director**

**Place : Navi Mumbai
Date : 14th August, 2013**

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ANNEXURE TO THE DIRECTORS' 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, 2013.

A. CONSERVATION OF ENERGY

(a) Energy Conservation Measures taken :

- i) No electricity was consumed for production as production activities are suspended.
- ii) Other Electricity consumption was brought down through production and judicious usage.

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

(c) Impact of energy conservation measures :

No electricity was consumed for production purpose as production activities are suspended.

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

No energy was consumed as the production activities are suspended for last several years.

B. TECHNOLOGY ABSORPTION

a. Efforts, in brief made towards technology, absorption, Adaption and innovation
- The Technology received from collaborators has been fully absorbed and adopted to Indian condition.

b. Benefits derived as a result of the above efforts – No Production

c. Details about imported technology imported during the last five years reckoned from the state of beginning of financial year. Not Applicable

C. RESEARCH AND DEVELOPMENT (R&D)

a. Specific areas in which R&D carried out by the Company Nil

b. Benefit derived as a result of the above R & D Nil

c. Future plan of action Nil

d. Expenditure on R & D Nil

D. FOREIGN EXCHANGE

Earnings through Exports Nil

Outgo Nil