



**oxides and specialities
limited**

29th

**ANNUAL REPORT
2015 - 2016**

BOARD OF DIRECTORS

Brijmohan Rathi

Director, Executive

V. B. Dalal

Director, Independent, Non Executive

Abhay N. Manudhane

Director, Independent, Non Executive

Sangeeta Rathi

Director, Chief Executive Officer

CHIEF FINANCIAL OFFICER

Prakash Selot

AUDITORS

BKG & Associates

Chartered Accountants

Mumbai

REGISTERED OFFICE:

F-1, MIDC Area, Lote, Parshuram,

Tal. Khed, Dist. Ratnagiri (Mah.) 415 722

CIN: L24119MH1987PLC042468

CORPORATE OFFICE:

R-802, TTC Industrial Area, Thane-Belapur Road,

Mahape, Navi Mumbai 400701

Phone: 022 27782210

Email: investor@oxides.in, Website: www.oxides.in

REGISTRAR AND SHARE TRANSFER AGENTS:

Bigshare Services Pvt. Ltd.

E-2, Ansa Industrial Estate, Sakivihar Road, Saki Naka,

Andheri (E), Mumbai 400072

Phone: 022 40430200, Fax: 022 28475207

Email: investor@bigshareonline.com

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OXIDES AND SPECIALITIES LIMITED

NOTICE

NOTICE is hereby given that the 29th Annual General Meeting of the Shareholders of **OXIDES AND SPECIALITIES LIMITED** will be held on Wednesday, September 21, 2016 at 11.00 A.M. at the Registered Office of the Company situated at F/1, MIDC Area, Lote Parshuram, Taluka Khed, Dist Ratnagiri (Maharashtra) - 415 722, to transact the following business:

A. ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2016 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 re-appoint Mrs. Sangeeta Rathi (DIN 01345515), who retires by rotation at this meeting and being eligible offers herself for re-appointment.
3. To ratify appointment of Statutory Auditors and fix their remuneration and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT**, pursuant to the provisions of Section 139 (1), 142 and other applicable provision, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in furtherance of the resolution passed in the twenty eighth Annual General Meeting of the Company in this regard, the consent of the members, be and is hereby accorded for the appointment of M/s BKG & Associates, Chartered Accountants, to hold office for the financial year 2016-2017 at a remuneration as may be decided by the Board with the mutual consent of the auditors."

B. SPECIAL BUSINESS

1. Resolution to be passed under Section 180 (1) (a) of the Companies Act, 2013 to sell, lease, transfer, convey, assign, mortgage or otherwise dispose of the Company's immovable property/ies located at Lote Parshuram for raising funds. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"**Resolved that** pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time and subject to the provisions, if any, of any other Act for the time being in force, 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 which the Board may constitute for this purpose), to lease, sell, transfer, convey, assign including assigning land development rights, mortgage or otherwise dispose of any of the Company's immovable or moveable property/ies in part or full, as the case may be, in particular, but not limited to, the piece and parcel of land admeasuring 40,018 square meters or thereabouts located at F/1, MIDC Area, Lote Parshuram, Taluka Khed, District Ratnagiri, Maharashtra, together with buildings, structures, plant and equipments, fixtures, or rights thereon together with Transfer of Development Rights (TDR) / Floor Space Index (FSI) benefits accruing in respect of said land to any person(s) and /or entity(ies) as may be

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determined by the Board, for such consideration and on such terms and conditions as the Board may deem fit in the best interest of the Company".

"Resolved further that the Board be and is hereby authorized to do and perform all such acts, matters deeds and things as may be necessary, without further referring the matter to the members of the Company, including finalizing the suitable lessee(s)/purchaser(s)/ assignee(s)/mortgagee, developer as the case may be, of the said land, the terms and conditions, methods and modes in respect thereof, determining the exact effective date, and finalizing and executing and registering the necessary documents including agreements, lease deeds, sale deed, agreement for sale, development agreement, TDR/FSI Sale agreements, deeds of conveyance and irrevocable powers of attorney etc. and such other document(s) as may be necessary or expedient in its own discretion and in the best interest of the Company, including the power to delegate, to give effect to this resolution".

"Resolved further that the Board be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this Resolution and for matters connected therewith or incidental thereto".

2. **Increase in borrowing power in terms of Section 180 (1) (c) of the Companies Act, 2013.**

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT in supersession of the earlier Resolution passed by the Members in this regard and pursuant to the provisions of Section 180 (1)(c) and other applicable provisions, if any, of the Companies Act 2013 (including any statutory modifications or re-enactments thereof), the Memorandum and Articles of Association of the Company, consent of the Members be and is hereby accorded to the Company, to borrow from time to time any sum or sums of monies (exclusive of interest) on such terms and conditions as the Board of Directors and/or the Committee of Directors may determine, from anyone or more of the Company's bankers and/or from anyone or more other banks, persons, firms, companies/ bodies corporate, financial institutions, institutional investor(s), mutual funds, insurance companies, pension funds and or any entity/entities or authority / authorities, whether in India or abroad, and whether by way of cash credit, advance or deposits, loans or bill discounting, issue of debentures, commercial papers, long/short term loans, suppliers' credit securities instruments such as floating rate notes, fixed rate notes, syndicated loans, commercial borrowing from the private sector window of multilateral financial institutions, either in rupees and/or in such other foreign currencies as may be permitted by law from time to time, and/or any other instruments/securities or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's assets, licenses and properties, whether immovable or movable and all or any of the undertaking of the Company, notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company [apart from temporary loans obtained from the Company's bankers in the ordinary course of business

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and exempted categories of deposits/loans received by the Company under Non-Banking Finance Companies (Reserve Bank) Directions, 1977, as amended from time to time] will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, provided that the total amount up to which the moneys may be borrowed by the Board of Directors and/or the Committee of Directors and outstanding at any time shall not exceed the sum of ₹ 1,00,00,00,000 (₹ One Hundred Crore)".

Resolved further that the Board be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this Resolution and for matters connected therewith or incidental thereto."

NOTES:

- i. A member entitled to attend and vote at the annual general meeting (the meeting) is entitled to appoint a proxy to attend and vote on a poll on his behalf. A proxy need not be a member of the company. Proxies in order to be effective should reach the Registered Office of the Company not less than 48 hours before the time of the Annual General Meeting. A person shall not act as a Proxy for more than 50 members and holding in the aggregate not more than ten percent of the total voting share capital of the Company. However, a single person may act as a proxy for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a proxy for any other person.
- 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.
- iv. There is no special business set out in notice which required explanatory statement pursuant to Sec. 102(1) of the Companies Act, 2013.
- v. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
- vi. 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.
- vii. 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.
- viii. 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.
- ix. The Company has notified closure of Register of Member and Share Transfer Books from Saturday, September 17, 2016 to Wednesday, September 21, 2016 (both days inclusive).
- x. Non-Resident Indian Members are requested to inform the Company's Registrar and Transfer Agents, M/s. Bigshare Services Private Limited, immediately of:

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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.
- xi. Consequent upon the introduction of Section 72 of the Companies Act, 2013 read with Companies (Share Capital and Debenture) Rules 2014, 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 Form SH-13 (which will be made available on request) to the Registrar and Transfer Agent, M/s. Bigshare Services Private Limited.

Place: Navi Mumbai
Date: August 13, 2016

By Order of the Board
for, Oxides and Specialities Limited

Sangeeta Rathi
Director and C.E.O.

OXIDES AND SPECIALITIES LIMITED

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

1. Item No. 1 of Special Business

The Company is undergoing revival phase and intends to put the assets of the company to their economic use in order to reduce its dues payable to creditors, employees and statutory liabilities by some of its non-core assets. The Company has identified properties which may be 'substantial' in terms of Section 180 (1) (a) of the Companies Act, 2013 and therefore requires members approval for disposal by way of Special Resolution. Approval of members is sought.

The Company is in the process of negotiating the consideration and other terms and conditions with the potential assignee(s)/lessee(s) of the said land or plant at Lote Parshuram. The approval of the members of the Company by a special resolution and other applicable laws and subject to such approvals, consents, permissions and sanctions as may be required by the statute, approved to lease, sell, transfer, convey, assign or otherwise dispose of the Company's immovable property as stated above along with building, structures, rights and fixtures thereon together with TDR/FSI benefits accruing in respect of land as may be determined by the Board including finalization of the suitable lessee(s) buyer(s)/ assignee(s)/ counterparty(ies) as the case may be, of the said property, the terms and conditions, methods and modes in respect thereof, determining the exact effective date, and finalizing and executing and registering the necessary documents including agreements, lease deeds, sale deed, agreement for sale, development agreements, TDR Sale agreements, deeds of conveyances and irrevocable powers of attorney etc. and such other documents in the best interest of the Company.

The consideration to be received on said lease and/or sale, transfer, conveyance, assignment or sale of above property shall be utilized for working capital and in paying off the Company's long/short term debts and statutory liabilities. The said arrangement will enable the Company to reduce the interest costs and raise funds for working and long term capital, thus ensuring smooth operational functioning and improving the profits of the Company.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution. The Board recommends the Resolution of the Notice for approval of the members by a Special Resolution.

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2. Item No. 2 of Special Business

As per Section 180 (1) (c) of the Companies Act, 2013, borrowings (apart from temporary loans obtained from the Company's bankers in ordinary course of business) by the Company beyond the aggregate of the paid up capital of the company and its free reserve requires approval from the shareholders of the Company.

Section 180(1) of the Companies Act, 2013 provides that the Board of Directors of a company shall exercise the said power only with the consent of the Company by a special resolution under this section. Hence, the Special Resolution at Item No. 2 for authorizing the Board of Directors to borrow monies (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) from time to time on behalf of the Company not exceeding ₹ 100 crore (₹ One Hundred Crore) is intended for this purpose. The Directors recommends the resolution for members' approval as a Special Resolution.

None of the Directors, Key Managerial Personnel or their relatives are in any way, financially or otherwise, concerned or interested in this resolution.

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DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 29th Annual Report together with Statement of Accounts for the financial year ended March 31, 2016.

FINANCIAL HIGHLIGHTS

(₹ in Lacs)

PARTICULAR	Year ended 31.03.2016	Year ended 31.03.2015
Sales	0.00	0.00
Other Income	36.00	12.05
Profit /(Loss) Before Depreciation and Tax	25.23	2.44
Less : Depreciation	28.72	28.72
Profit /(Loss) Before Tax	(3.49)	(26.28)
Less: Tax	0	0
Profit/(Loss) after Tax	(3.49)	(26.28)
Balance of (loss) brought forward from previous year	(3205.80)	(3179.52)
Balance Carried to P & L Appropriation A/c	(3209.29)	(3205.80)

The Balance in Profit & Loss Account for the year is Rs. -3.49 Lacs (Previous year Rs. -26.28 Lacs). Total reserves stand at Rs. -3179.30 Lacs (Previous Year Rs. -3175.80 Lacs) is carried to Balance Sheet under the head Reserves and Surplus.

1. 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.

2. DIVIDEND

In view of the continuing losses, the Board of Directors cannot propose a Dividend for the financial year.

3. FIXED DEPOSIT

During the year the Company has not accepted any Fixed Deposits within the meaning of any of the sections of the Companies Act, 2013 and the rules made there under.

4. BIFR RELATED UPDATES

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

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5. FUTURE BUSINESS PLANS OF THE COMPANY

In view of the unviable situation of existing products namely MIO and Ferrous 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. For cost effective production of Yellow Pigment we have identified new source, which will reduce and optimize cost of production. The Company is in process of arranging long term funds as well as funds for working capital. The company is trying its best to restart the operations of the Company as early as possible.

6. EXTRACT OF ANNUAL RETURN

Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014 an extract of annual return in MGT 9 as a part of this Annual Report.

7. DIRECTORS

During the year there is no change in composition of Board of Directors.

Mrs. Sangeeta Rath, Director, retires by rotation and being eligible offers herself for re-appointment at the forthcoming Annual General Meeting.

The Company has received declaration from all the independent directors of the company confirming that they comply with the provisions of their independence as per regulation 16 (b) of the SEBI (LODR) Listing Regulations as well as provisions of the Companies Act, 2013 under section 149(6).

The Company has a policy of performance evaluation of the board, various board committees and individual directors. The report on Corporate Governance contains information on various Board and committees meetings thereof etc. and is an integral part of this report.

8. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 134(5) of the Companies Act, 2013 with respect to Directors Responsibilities Statement, it is hereby confirmed that:

- a. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. The directors had 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 and of the profit and loss of the company for that period;