

**OXIDES AND
SPECIALITIES LIMITED**

26th

ANNUAL REPORT

2012 - 2013

BOARD OF DIRECTORS

Brijmohan Rathi

Director

V.B. Dalal

Director

Sangeeta Rathi

Director

CHIEF FINANCIAL OFFICER

Prakash Selot

STATUTORY AUDITORSBKG & 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**CONTENTS**

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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

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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.

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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 |

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MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRIAL STRUCTURE AND DEVELOPMENT:

The main product of the company is Magnetic Iron Oxide (MIO) also known as Gamma Ferric Oxides (GFO) used for coating polyester films to make Magnetic Tapes for use in audio, video, data in computer applications including for swipe cards and toners. However, the production of MIO remains suspended, as there is no demand for this product.

The company had also diversified into the manufacture of Ferrous Fumarate and Iron Oxides yellow pigments and dyes. However, the production remained suspended during the year.

OPPORTUNITIES AND THREAT:

Products like Ferrous Fumarate are getting replaced by cheaper ferrous sulphate globally, as iron supplement leading to erosion in growth of Ferrous Fumatate business. Iron Oxides Pigment manufactured by the Company is a high end product with limited application in high cost paint.

In view of the unviable situation with the existing product portfolio and current financial situation, an alternative arrangement has been worked out with M/s Sunciti Financial Services Private Limited, and the later has agreed to infuse fresh funds in the company to fund the startup expenses and the working capital to restart operations.

SEGMENTATION OR PRODUCT WISE PERFORMANCE:

Yellow pigment trial runs and batches for Yellow Pigment were taken up. However due to product quality and financial constraints the operations could not be sustained.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The internal control system is well structured and ensures optimum use of resources and safeguards the assets. The Company follows pre-defines rules and procedures.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

Presently all production related activities remained suspended and consequently, the financial performance of the Company has been adverse.

DEVELOPMENT IN HUMAN RESOURCE / INDUSTRIAL RELATIONS FONT:

The industrial relations were cordial considering the stressful circumstances.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Bombay Stock Exchange.

1. PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

a) Basic Philosophy

Corporate Governance encompasses laws, procedures, practices and implicit rules that determine management's ability to take sound decisions vis-à-vis its entire stakeholders-in particular, its shareholders, creditors, the state and employees. There is a global consensus on the objective of Good Corporate Governance, maximizing long- term shareholder value.

Since shareholders are residual claimants, this objective follows from a premise that in well – performing capital and financial markets, whatever maximizes shareholder value must necessarily maximize corporate value, and best satisfy the claims of creditors, employees and the state.

A company, which proactively complies with the law and adds value to it through Corporate Governance initiatives, would also command a higher value in the eyes of present and prospective shareholders.

The basic philosophy of Company is that corporate Governance is not an end in itself but is a catalyst in the process of maximization of shareholder value. Therefore, shareholder value as an objective is the basic premise in all aspects of corporate governance.

b) Compliance with revised clause 49 of the Listing Agreement

The Company has complied with the revised Clause 49 of the Listing Agreement. The Company has adopted Code of Conduct, which prescribes certain dos and don'ts to the Directors to promote ethical conduct in accordance with the stated values of the Company and also to meet the prescribed statutory requirements.

2. BOARD OF DIRECTORS

a) Composition and categories of Directors:

The Board comprises of 3 Directors as on March 31, 2013. The names and categories of the Directors, number of Directorship and Board Committees position held by them in the companies, the attendance at Board Meeting and the last Annual General Meeting (AGM) is as given below. None of the Directors on the Board is a member on more than 10 Committees and Chairman of more than 5 committees (As specified in Clause 49 of Listing Agreement).

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Name of Director	Designation	Category	No. of Board Meetings		Attendance at Last AGM	*Other Directorships	** Membership of Other Board Committees	** Chairmanship of Other Board Committees
			Held	Attended				
Brijmohan Rathi	Director	Promoter, Executive	4	4	Yes	1	1	-
V. B. Dalal	Director	Independent, Non Executive	4	4	Yes	1	2	3
#Sangeeta Rathi	Director	Independent, Non Executive	4	1	No	1	-	-
##Rajendra Kumar Sancheti	Director	Independent, Non Executive	4	2	Yes	-	-	-

Appointed as Additional Director from 10th November, 2012.

Resigned w.e.f. 10th November, 2012.

- * The Directorships held by Directors as mentioned above, do not include Alternate Directorships, Directorships of Foreign Companies, Private Limited Companies and Section 25 Companies.
- ** In accordance with Clause 49 of the Listing Agreement, Membership/ Chairmanship of only the Audit Committees and Shareholders'/ Investors' Grievance Committees of all Public Limited Companies have been considered excluding details of Maharashtra Polybutenes Limited.

b) Details of Board Meeting

Four Board Meetings were held during the year. The dates on which the meetings were held are May 15, 2012, August 13, 2012, November 10, 2012, and February 15, 2013. The 25th Annual General Meeting was held on September 15, 2012.

c) Code of conduct

The Code of business conduct and ethics for directors and Senior Management Personnel as adopted by the Board is comprehensive code applicable to all Directors and Senior Management Personnel. All Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the period ended March 31, 2013.

d) Remuneration to Director

The Company has not constituted Remuneration Committee and it is not mandatory and there is no Executive Director employed by the company. No commission has been paid to any Director.

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Name of Director	Sitting Fees (Rs)	Salary	Total	Services Contract/Notice Period/Severance fees
Brijmohan Rathi	Nil	Nil	Nil	Retirement by Rotation
V. B. Dalal	Nil	Nil	Nil	Retirement by Rotation
Sangeeta Rathi*	Nil	Nil	Nil	Retirement by Rotation
Rajendra Kumar Sancheti**	Nil	Nil	Nil	Retirement by Rotation

* Appointed as Additional Director from 10th November, 2012.

** Resigned w.e.f. 10th November, 2012.

The Company does not have a stock option plan or performance linked incentives for its Directors. The above is exclusive of perquisites and allowances.

3. AUDIT COMMITTEE

The Board has in accordance with section 292A of the Companies Act, 1956, constituted the Audit Committee. The objective of the Audit committee is to assist the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the company and its compliance with the legal and regulatory requirement.

a) The terms of reference:

The terms of reference of the Audit committee are as stated in Clause 49(II) of the Listing Agreement and Section 292A of the Companies Act, 1956 and more particularly include the following;

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

b) Composition of Audit Committee:

The Audit Committee comprises of three Directors. The Chairman of the Committee is an independent, Non executive Director nominated by the Board.

Name of Directors	Position held
V. B. Dalal	Chairman
Brijmohan Rathi	Member
Mrs. Sangeeta Rathi#	Member

Inducted as member w.e.f. 10th November 2012.

All the members of the Committee are financially literate.

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c) Details of meetings :

During the year under review, four Audit Committee meetings were held on May 15, 2012, August 13, 2012, November 10, 2012, February 15, 2013.

4. SHAREHOLDERS COMMITTEES:

A) SHARE TRANSFER COMMITTEE

The Share Transfer Committee has been assigned the work of share transfer, sub-division / consolidation of shares etc. The Committee oversees the performance of Registrar and Share Transfer Agent and recommends measures for overall improvement of the quality of investor services. Details of Share Transfer / transmission approved by the Committee are placed before the Board Meeting from time to time.

a) Composition of Share Transfer Committee:

Name of Directors	Position held
Brijmohan Rathi	Chairman
Sangeeta Rathi#	Member
Shivnarayan Garg	Member

Inducted as member w.e.f. 10th November 2012.

Shri Prakash Selot, is the Compliance Officer of the Company.

b) Details of share transfer received, not resolved and pending:

The Company has duly appointed share transfer agent M/s. Bigshare Services Private Limited, (R&T Agent) for servicing the shareholders holding shares in physical or dematerialized form. All requests for dematerialization of shares are likewise processed and confirmations thereof are communicated to investors within the prescribed time.

B) INVESTOR GRIEVANCE COMMITTEE

The Committee reviews the redressal of the Investors complaints on quarterly basis as per Clause 49 (G) (iii) of the Listing Agreement. The Committee was formed on August 06, 2010. During the year under review, 4 meetings of the committee were held on May 15, 2012, August 13, 2012, November 10, 2012, and February 15, 2013.

a) Composition of Investor Grievance Committee:

Name of Directors	Position held
V.B. Dalal	Chairman
Brijmohan Rathi	Member
Sangeeta Rathi#	Member

Inducted as member w.e.f. 10th November 2012.

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b) Details of shareholder's complaints received, not resolved and pending share transfers:

During the year, the Company had received 7 complaints and the same have been resolved in the stipulated time period and no complaints are pending at the end of the year.

5. GENERAL BODY MEETINGS:

a) Annual General Meeting:

Location and time, where last three Annual General Meetings were held are given below:

AGM	Financial Year	Date	Location of Meeting	Time	No. of Special Resolution passed
23 rd	2009- 10	September 29, 2010	Registered Office of the Company	02.00 P.M.	Nil
24 th	2010- 11	September 29, 2011	Registered Office of the Company	02.00 P.M.	2
25 th	2011- 12	September 15, 2012	Registered Office of the Company	10.00 A.M.	1

b) Extraordinary General Meeting

No Extraordinary General Meeting held during the year under review.

6. DISCLOSURES:

Disclosures on materially significant related party transactions that may have potential conflict with the interests of company at large:

- a) None of the transaction with any of the related parties was in conflict with the interests of the Company. None of the Senior Management Personnel had any material transaction with any of the related parties, which were in conflict with the interests of the Company. Attention of Members is drawn to the disclosures of transactions with the related parties set out in Notes on Accounts – Schedule '16', forming part of the Annual Report.
- b) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause. All the mandatory requirements of Clause 49 of the Listing Agreement are complied with.

7. MEANS OF COMMUNICATION:

Half yearly report sent to each shareholder	No, as the Quarterly/ Yearly results of the Company are published in the newspapers and are displayed on Company's website also.
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Quarterly/ Yearly result	The Company has published its Quarterly/ Yearly Results in the news papers as well as have been displayed on Company's website also. Yearly results are part of Annual Report.
Any Website, where displayed	Yes, www.oxides.in
Whether the site also displays official news releases and the presentation made to institutional investors or to the analysts newspapers in which results are normally published in	Yes, the website is periodically updated
Management Discussion & Analysis	This forms part of the Annual Report

8. GENERAL SHAREHOLDER INFORMATION:

(a) 26th Annual General Meeting

Date : Saturday, 21st day of September, 2013

Time : 10.00 a.m.

Venue : F/1, MIDC, Lote-Parshuram, Taluka Khed, Dist.Ratnagiri,
Maharashtra – 415 722

(b) Events in Financial Year : 2013 - 2014

Financial Reporting for the Quarter ending:

- | | | |
|-----------------------|---|-------------------------|
| a) June 30, 2013 | : | By mid of August 2013 |
| b) September 30, 2013 | : | By mid of November 2013 |
| c) December 31, 2013 | : | By mid of February 2014 |
| d) March 31, 2014 | : | By mid of May, 2014 |

(c) Date of Book Closure

Tuesday, September 17, 2013 to Friday, September 20, 2013 (both days inclusive).

(d) Dividend payment Date: Not Applicable

(e) Listing on Stock Exchange and payment of fee:

The equity shares of the Company are listed at the Bombay Stock Exchange Limited (BSE). Annual Listing Fees for the year 2013-2014, as applicable, has been paid by the Company to the BSE.

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(f) Stock Code:

- (i) Scrip code on the BSE : **523389**
(ii) Demat ISIN in NSDL and CDSL for Equity Shares : **INE597D01011**

(g) Market Price data: the trading of shares is under suspension so there is no data available

(h) Registrar and Transfer Agent:

M/s Bigshare Services Private Limited,
E-2, Ansa Industrial Estate,,Saki Vihar Road,
Saki Naka , Andheri (East),
Mumbai – 400 072.
Tel: 022-2847-0652 | 4043-0200.
Website: www.bigshareonline.com,
Email : info@bigshareonline.com

(i) Share Transfer System:

Share transfer requests received are normally confirmed within an average period of 15 days from the date of receipt.

(j) Distribution of Shareholding as on March 31, 2013

No. of Equity Shares held	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
Upto to 500	16004	95.50	2452365	21.01
501 - 1000	474	2.83	396300	3.40
1001 - 2000	159	0.95	249290	2.14
2001 - 3000	45	0.27	116950	1.00
3001 - 4000	15	0.09	55050	0.47
4001 - 5000	18	0.11	85280	0.73
5001 - 10000	22	0.13	162380	1.39
10001 - Above	20	0.12	8152207	69.86
Grand Total	16757	100.00	11669822	100.00

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(k) Dematerialization of Shares and liquidity:

No. of Equity Shares held	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
No. of shareholders having shares in Physical Mode	13827	82.51	2622420	22.47
No. of Beneficial Owner and shares in Demat mode				
—NSDL	2284	13.63	7539909	64.61
—CDSL	646	3.86	1507493	12.92
Grand Total	16757	100.00	11669822	100.00

(l) Categories of Shareholders as on March 31, 2013:

Category	No. of shares held	% to total shareholding
Promoters, Director and Relatives	5785230	49.57
Mutual Funds	2400	0.02
Banks, Financial Institutions	696670	5.97
Bodies Corporate	418030	3.58
Public	4765152	40.84
Other	2340	0.02
Grand Total	11669822	100.00

(m) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity

There are no ADR/ GDR/ Warrants or any convertible instruments issued by the Company.

(n) Plant Locations:

F/1 MIDC Area, Lote- Parshuram, Taluka Khed, Dist- Ratnagiri (Mah.)- 415 722 .

(o) Address for Correspondence for Investors:

Registrar and Transfer Agent : M/s Bigshare Services Private Limited,
E-2, Ansa Industrial Estate, Saki Vihar
Road, Saki Naka, Andheri (East),
Mumbai – 400 072.

Tel: 022-2847-0652 | 4043-0200.

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Website : www.bigshareonline.com,
Email : info@bigshareonline.com

Company : Oxides and Specialities Limited
R-802, TTC industrial Area, Thane
Belapur Road, Mahape, Navi Mumbai
– 400 701, Email: investor@oxides.in

**Details of the Directors seeking appointment/re-appointment at the
forthcoming Annual General Meeting.**

(Pursuant to Clause 49 of the Listing Agreement)

Name of the Director	Mr. Virendra Babubhai Dalal
Date of Birth	March 18 th , 1945
Area of Experience	Mr. Virendra Babubhai Dalal, an FCA by qualification is a practicing Chartered Accountant with 43 years varied experience. He is the chairman of Audit Committee & Shareholders'/ Investors' Grievance Committee of Directors of the Company.
Educational Qualifications	B. Com, FCA.
Companies in which he holds Directorships	Superadd Trade Private Limited Maharashtra Polybutenes Limited
Membership, Chairmanship of Board Committee	Superadd Trade Private Limited - N.A. Maharashtra Polybutenes Limited – Chairmanship of Audit Committee, Investor Grievance Committee and Remuneration Committee.
Shareholding in the company	Nil

OXIDES AND SPECIALITIES LIMITED

**DECLARATION BY THE DIRECTOR UNDER
CLAUSE 49 OF THE LISTING AGREEMENT**

The Board of Directors

Oxides and Specialities Limited

I have reviewed the financial statements and the cash flow statement for the year ended 31st March 2013 and to the best of my knowledge and belief I hereby certify that:

1. These statement do not contain any materially untrue statement or omit any material fact or contain any misleading statement;
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standard, applicable laws and regulations.
3. To the best of my knowledge and belief, there are no transactions entered into by the Company during the year 2012-2013 which are fraudulent, illegal or which violates the Company's code of conduct.
4. I accept responsibility for establishing and maintaining internal controls and I have evaluated the effectiveness of the internal control system of the Company. Based on my most recent evaluation, no deficiencies in the design or operation of control were noted.
5. I further certify that:-
 - There have been no significant changes in internal control during this year.
 - There have been no significant changes in accounting policies during the year.
 - There has been no instances of significant fraud of which we have become aware of and the involvement therein, of management or an employee having a significant role in the Company's internal control system.
6. I further declare that pursuant to Clause 49 (1) (d) all Board Members and Senior Managerial Personnel have affirmed compliance with the code of conduct for the current year.

Place : Navi Mumbai

Brijmohan Rathi

Date : 14th August, 2013

Director

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CERTIFICATE

**To
The Members,
M/s Oxides and Specialities Limited**

We have examined the compliance of condition of Corporate Governance by **Oxides and Specialities Limited** for the year ended 31st March 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchange in India.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

On that basis of representation received from Registrars and Share Transfer agent and as per the records maintained by the Company which are presented to the Share Transfer Committee, we state that during the period ended 31st March, 2013 no investor grievances are pending for a period exceeding one month.

We further state that such Compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For BKG & ASSOCIATES
CHARTERED ACCOUNTANTS**

**CA. B.K. Gupta
Partner**

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

**Membership No. 040889
Firm Reg. No.:114852W**

OXIDES AND SPECIALITIES LIMITED

AUDITORS' REPORT

**TO THE MEMBERS OF
OXIDES AND SPECIALITIES LIMITED**

We have audited the accompanying financial statements of OXIDES AND SPECIALITIES LIMITED, which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet of the state of affairs of the Company as at March 31, 2013 ;

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- (b) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227 (3) of the Act, we report that :
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by the Report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ;
 - e. On the basis of written representative received from the directors as on March, 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f. At present, no Rules relating to the amount of cess for rehabilitation or revival or protection of assets of sick industrial companies, payable by a company under section 441A of the Act have been notified by the Central Government. Thus, it would not be possible for the auditor to comment on the regularity or otherwise about the cess till the time relevant rules or regulations are issued.

**For BKG & ASSOCIATES
CHARTERED ACCOUNTANTS**

**CA. B.K. Gupta
Partner**

**Place : Mumbai
Date : 28th May, 2013.**

**Membership No. 040889
Firm Reg. No.:114852W**

OXIDES AND SPECIALITIES LIMITED

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013 OF M/S OXIDES AND SPECIALITIES LIMITED

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of audit, we state that:

1) In respect of its Fixed Assets:

- a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) During the year, no physical verification of the fixed assets has been conducted by the management. As explained, discrepancy, if any, will be adjusted in the year of physical verification.
- c) No substantial part of fixed assets has been disposed off by the company during the year.

2) In respect of its Inventories:

- a) The inventory has been physically verified by the management at reasonable intervals during the year.
- b) In our opinion the procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business
- c) On the basis of examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

3) In respect of loans, Secured or Unsecured, granted or taken by the company to/ from Companies, firms or other parties listed in the register maintained under section 301 of the companies act, 1956:

- a) Based on the audit procedure applied by us and according to the information and explanation provided by the management, Company has not granted any loans or advances to Companies, firms or other parties listed in the register maintained under section 301 of the companies act, 1956.
- b) During the financial year covered under audit, the Company has taken interest free unsecured loans of Rs. 31408/ (including opening balance) from one party listed in the register maintained under section 301 of the act. In respect of the said loan, maximum amount outstanding at any time during the period covered under audit was Rs. 31408/- and the yearend balance of the said loan is Rs. 31,408/- which are payable whenever demanded by lenders.
- c) In our opinion, other terms and conditions on which loans have been taken are prima facie not prejudicial to the interest of the company.
- d) Loans taken by the company were re-payable on demand. As informed, repayment have been made during the year whenever demanded by the lender, thus there has been no default on the part of the Company.

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4. In our opinion, and according to information and explanations given to us, there is adequate internal control commensurate with the size of the company and the nature of the business for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control system.
5. (a) According to the information and explanations given to us, the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956, have been so entered where ever applicable.
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register in pursuance of Section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5 lakhs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us the company has not accepted any deposits from public during the year as stated in the provisions of section 58A, 58AA or any other relevant provisions of the companies act, 1956 or the rules framed there under.
7. In our opinion, the Company has an adequate internal audit system commensurate with the size of the Company and nature of its business.
8. The Company is maintaining the cost records which has been prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, for the products manufactured by the Company.
9. (a) The company is generally regular in depositing undisputed statutory dues including provident Fund, Investor Education and Protection Fund, Income Tax, Wealth Tax, Sales Tax, Customs Duty, Excise Duty, Service Tax, Cess and other statutory dues applicable to the Company with the appropriate authorities. No undisputed amount payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they become payable except **Rs.902044/- towards Provident Fund ,Rs. 1,72,952/- towards Sales Tax, Rs. 5,22217/— towards Professional Tax, Rs. 39,956/- towards MVAT, Rs. 34,173.78 towards Excise Duty and Rs. 6,11,631/- towards Chiplun Gram Panchayat Tax. The co. is under BIFR preview and proposes to pay the statutory dues as mentioned in the draft rehabilitation scheme.**
(b) According to the records of the Company, there are no dues of Income Tax, Sales Tax, Customs Duty, Wealth Tax, Excise Duty, Service Tax, Cess which have not been deposited on account of any dispute
10. The accumulated losses as at 31st March, 2013 of the Company are more than hundred percent of its net worth. The Company has incurred cash losses during the current financial year and in the immediately preceding financial year. On account of this the company has approached BIFR for restructuring and the application and Draft Rehabilitation Scheme is under consideration.

OXIDES AND SPECIALITIES LIMITED

11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that Company has not defaulted in repayment of dues to financial institutions / bank.
12. According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Order are not applicable to the company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of this clause are not applicable on the Company.
15. According to the records of the company and on the basis of information and explanations given to us, the Company has not given any guarantee during the year for loans taken by others from banks or financial institutions.
16. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, in our opinion, clause 4 (xvi) is not applicable to the company as the company has not raised any term loan during the year.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, in our opinion, the funds raised on short-term basis have not been used for long term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained u/s.301 of the Act.
19. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, in our opinion, the company has not issued any debentures.
20. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, in our opinion, the company has not raised any fund by way of public issue.
21. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, in our opinion, no fraud on or by the Company has been noticed or reported to/by us during the course of our audit.

**For BKG & ASSOCIATES
CHARTERED ACCOUNTANTS**

**CA. B.K. Gupta
Partner**

**Place : Mumbai
Date : 28th May, 2013.**

**Membership No. 040889
Firm Reg. No.:114852W**

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BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Note No.	AS AT 31-03-2013	AS AT 31-03-2012
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	1	161,698,220	161,698,220
(b) Reserves and Surplus	2	(309,450,601)	(303,498,582)
		(147752381)	(141800362)
2. Share Application money pending allotment		62,480,000	58,800,000
3. Non-Current Liabilities			
(a) Long-Term Borrowings	3	98,159,116	98,159,116
		98,159,116	98,159,116
4. Current Liabilities			
(a) Trade Payables (sundry creditors)	4	29,416,717	29,312,143
(b) Other Current Liabilities	5	16,330,620	16,321,473
(c) Short-Term Provisions	6	5,970,975	7,253,011
		51,718,312	52,886,627
Total Equity & Liabilities		64,605,047	68,045,381
II. ASSETS			
1. Non-Current Assets			
(a) Fixed Assets	7		
(i) Gross Block		363,344,838	363,344,838
(ii) Depreciation		309,961,839	306,727,219
(iii) Net Block		53,382,999	56,617,619
(iv) Capital Work in Progress		-	-
		53,382,999	56,617,619
(b) Non-current investments	8	3,000	3,000
(c) Long term loans and advances	9	937,149	937,149
		940,149	940,149
2. Current Assets			
(a) Inventories	10	3,616,343	3,616,343
(b) Trade receivables	11	482,568	482,568
(c) Cash and cash equivalents	12	228,249	474,126
(d) Short-term loans and advances	13	5,954,739	5,914,576
		10,281,899	10,487,613
Total Assets		64,605,047	68,045,381

Notes referred to above form an integral part of the Balance Sheet & Profit and Loss Account

Significant Accounting Policies

20

Notes to accounts

1 to 20

As per our attached Report of even date

For **BKG & ASSOCIATES**
Chartered Accountants

For & On behalf of the Board

C.A. B.K.Gupta
Partner

Prakash Selot
Finance Controller

Sangeeta Rathi
Director

Brijmohan Rathi
Director

Membership No.: 040889

Firm Reg. No.: 114852W

Place : Mumbai

Date : 28th May, 2013.

OXIDES AND SPECIALITIES LIMITED

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Note No.	FOR THE YEAR ENDED 31-03-2013	FOR THE YEAR ENDED 31-03-2012
I Revenue from operations		-	-
II Other Income	14	-	3,137,000
III. Total Revenue (I +II)		-	3,137,000
IV Expenses:			
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	15	-	-
Employee Benefit Expense	16	941,335	1,006,401
Financial Costs	17	19,348	19,986
Depreciation and Amortization Expense	18	3,234,619	3,232,518
Other Expenses	19	1,756,717	2,246,330
Total Expenses (IV)		5,952,019	6,505,235
V Profit/(Loss) before exceptional and extraordinary items and tax	(III - IV)	(5,952,019)	(3,368,235)
VI Exceptional Items		-	-
VII Profit before extraordinary items and tax (V - VI)		(5,952,019)	(3,368,235)
VIII Extraordinary Items		-	-
IX Profit / (Loss)before tax (VII - VIII)		(5,952,019)	(3,368,235)
X Tax expense:		-	-
XI Net Loss for the year	(IX-X)	(5,952,019)	(3,368,235)
XII Earning per equity share:			
(1) Basic and Diluted		(0.51)	(0.29)

Notes referred to above form an intergarl part of the Balance Sheet & Profit and Loss Account

Significant Accounting Policies

20

Notes to accounts

1 to 20

As per our attached Report of even date

For **BKG & ASSOCIATES**
Chartered Accountants

For & On behalf of the Board

C.A. B.K.Gupta
Partner

Prakash Selot
Finance Controller

Sangeeta Rathi
Director

Brijmohan Rathi
Director

Membership No.: 040889

Firm Reg. No.: 114852W

Place : Mumbai

Date : 28th May, 2013.

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CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2013

	For the year ended on 31st March 2013	For the year ended on 31st March 2012
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and Extraordinary items	(5,952,019)	(3,368,235)
Adjustment for :		
Depreciation	3,234,619	3,232,518
Interest Charge	19,348	19,986
Profit on sales of assets	-	(3,137,000)
		115,504
Operating Profit/(Loss) before Working Capital changes :	(2,698,052)	(3,252,731)
Adjustments for:Working Capital Changes		
Trade & other receivable	(40,162)	374,787
Inventories	-	-
Trade Payables	(1,168,315)	(654,238)
Cash Generated from Operations :	(3,906,529)	(3,532,182)
Direct taxes paid	-	-
Cash Flow before Extraordinary items :	(3,906,529)	(3,532,182)
Exceptional Items		
Sundry Balances excess provision written back (net)	-	-
Net Cash inflow(out flow) from Operating Activities - "A"	(3,906,529)	(3,532,182)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-	(16,149,975)
Sale of Assets	-	3,137,000
Capital work in progress	-	15,813,140
Net Cash from(used) in Investing Activities - "B"	-	2,800,165
CASH FLOW FROM FINANCING ACTIVITIES		
Share Application money received	3,680,000	1,110,000
Borrowings	-	(15,000)
Interest paid	(19,348)	(19,986)
Dividend paid	-	-
Net Cash From / (used) in Financial Activities - "C"	3,660,652	1,075,014
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(245,877)	342,997
Cash and Cash Equivalents (Opening Balance)	474,126	131,129
Cash and Cash Equivalents as at the end	228,249	474,126

Note :

- 1) Figures In Brackets represents outflows.
- 2) Previous year's figures have been regrouped wherever necessary .

As per our attached Report of even date

**For BKG & ASSOCIATES
Chartered Accountants**

For & On behalf of the Board

**C.A. B.K.Gupta
Partner**

**Prakash Selot
Finance Controller**

**Sangeeta Rathi
Director**

**Brijmohan Rathi
Director**

**Membership No.: 040889
Firm Reg. No.: 114852W**

**Place : Mumbai
Date : 28th May, 2013.**

OXIDES AND SPECIALITIES LIMITED

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2013

Note 1 : Share Capital

Particulars	AS AT 31-03-2013	AS AT 31-03-2012
1 AUTHORIZED CAPITAL		
1,50,00,000 Equity Shares of Rs. 10/- each.	150,000,000	150,000,000
50,00,000 cumulative redeemable preference shares of Rs.10 each	50,000,000	50,000,000
	200,000,000	200,000,000
2 ISSUED, SUBSCRIBED & PAID UP CAPITAL		
i 1,16,69,822 (Previous Year 1,16,69,822) Equity Shares of Rs. 10/- each, fully paid up	116,698,220	116,698,220
ii 4,50,000 5% Cumulative Redeemable Preference Shares of Rs.10 each fully paid up *[(a) Redeemable at par at the expiry of seventh year from the date of allotment i.e. 5.1.2004; (b) Minimum dividend payable @ 0.1%p.a. till the Company makes adequate profits]	45,000,000	45,000,000
	161,698,220	161,698,220
a) Reconciliation of the number of share outstanding is set out below:		
Name of the shareholder	No of Shares	No of Shares
	As at	As at
	31st March, 2013	31st March, 2012
Equity shares at the beginning of the year	11,669,822	11,669,822
Add: shares issued during the year	Nil	Nil
Equity shares at the end of the year	11,669,822	11,669,822
b) Shares in the company held by each shareholders holding more than 5% shares:		
Name of the Shareholder	No. of Shares Held	No. of Shares Held
ISG TRADERS LTD.	5,775,230 (5,775,230)	5,775,230 (5,775,230)
c) There are nil number of shares (Previous year Nil) reserved for issue under option and contracts /commitment for the sale of shares/disinvestment including the terms and amounts.		
d) There are no securities (Previous year No) convertible into Equity/ Preferential Shares.		
e) There are no calls unpaid (Previous year No)including calls unpaid by Directors and Officers as on balance sheet date		
f) The company has issued two types of shares namely, Equity Shares and Preference Shares:		
i) Rights of Equity Shareholders: Equity Shares of the face value of Rs.10/- each. Each Equity Share is entitled for one vote. In the event of the liquidation of the company, shareholders will receive residual assets of the company after paying all the liabilities.		
ii) Rights of Preference Shareholders: Preference Shares of the face value of Rs.10/- each. Redeemable at par at the expiry of seventh year from the date of allotment. In the event of liquidation, the Preference Shareholders have preferential rights over Equity Shareholders.		

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Note 2 : Reserve & Surplus

Particulars	AS AT 31-03-2013	AS AT 31-03-2012
1 Capital Reserve	3,000,000	3,000,000
2 Surplus (Profit & Loss Account)	(5,952,019)	(3,368,235)
Add: Balance brought forward from previous year	(306,498,582)	(311,761,882)
Less: Excess provision of depreciation in previous year		(8,631,535)
Balance at the end of year	(312,450,601)	(306,498,582)
	(309,450,601)	(303,498,582)

Note 3 : Long Term Borrowings

Unsecured Loan

1 Loans and Advances From Related Parties	98,159,116	98,159,116
	98,159,116	98,159,116

Note 4 : Trades Payable

1 Creditors for supplies / services	29,416,717	29,312,143
	29,416,717	29,312,143

Note 5 : Other Current Liabilities

1 Interest accrued and due on Long Term Borrowings	13,660,807	13,660,807
2 Duties & Taxes payable to Government	1,293,955	1,274,808
3 Deposits from Customer / Dealers	1,187,538	1,197,538
4 Advance from Customer	188,320	188,320
	16,330,620	16,321,473

Note 6 : Short Term Provisions

1 Provision For Employees Benefit	5,970,975	7,253,011
	5,970,975	7,253,011

Note 7 : Fixed Asset

Sr. No	Particulars	Gross Block				Depreciation				Net Block	
		As At 01-04-2012	Addition during the year	Deduction/ adjustments during the year	As At 31-03-2013	Upto 01-04-2012	For the Year	Deduction/ Adjustment during the year	Upto 31-03-2013	As At 31-03-2013	As At 31-03-2012
1	<u>Tangible Assets</u>										
i	Freehold Land	1,634,943	-	-	1,634,943	-	-	-	-	1,634,943	1,634,943
ii	Leasehold Land	16,084,469	-	-	16,084,469	3,007,989	173,712	-	3,181,701	12,902,768	13,076,480
iii	Buildings	66,113,407	-	-	66,113,407	39,506,247	2,208,188	-	41,714,435	24,398,972	26,607,160
iv	Plant & Machinery	277,122,181	-	-	277,122,181	261,823,146	852,719	-	262,675,865	14,446,316	15,299,035
v	Office Equipment	1,497,745	-	-	1,497,745	1,497,745	-	-	1,497,745	-	-
vi	Furniture & Fixtures	892,093	-	-	892,093	892,093	-	-	892,093	-	-
	TOTAL	363,344,838	-	-	363,344,838	306,727,220	3,234,619	-	309,961,839	53,382,999	56,617,618
	PREVIOUS YEAR	347,915,113	16,149,975	720,250	363,344,838	312,846,486	3,232,518	9,351,785	306,727,219	56,617,619	43,700,162

OXIDES AND SPECIALITIES LIMITED

Note 8 : Non Current Investment

Particulars	AS AT 31-03-2013	AS AT 31-03-2012
(Unquoted fully paid up - Non Traded, valued at Cost)		
1 100 (Previous Year 100) Equity shares of Janata Sahakari Bank Limited of Rs.10 each fully paid up .	1,000	1,000
2 80 (Previous Year 80) Equity Shares of AjaraUrban Co-Op Bank Limited of Rs.25 each fully paid up	2,000	2,000
	3,000	3,000

Note 9 : Long Term Loans and Advances (Unsecured and Considered Doubtful unless otherwise stated)

1 Security Deposit	867,992	867,992
2 Balance with Income Tax Authorities	69,157	69,157
	937,149	937,149

Note 10 : Inventories

(As taken, valued at Cost and certified by the Management)

1 Raw Material	369,089	369,089
2 Work-in-Progress	1,758,960	1,758,960
3 Finished Goods	562,840	562,840
5 Stores & Spares	925,454	925,454
	3,616,343	3,616,343

Note 11 : Trade Recievables

(Unsecured and considered doubtful)

Outstanding for more than six months	482,568	482,568
Others		
	482,568	482,568

Note 12 : Cash & Cash Equivalent

a Cash on Hand	125,114	368,385
b Balance with Bank	103,134	105,741
	228,249	474,126

Note 13 : Short Terms Loans and Advances

(Unsecured and considered doubtful)

1 Security Deposits	20,000	-
2 Balance With Revenue Authorities	2,060,723	2,060,721
3 Advance to Suppliers	3,425,807	3,405,647
4 Other Loans & Advances	448,208	448,208
	5,954,738	5,914,576

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Particulars	FOR THE YEAR ENDED 31-03-2013	FOR THE YEAR ENDED 31-03-2012
Note 14 : Other Income		
1 Profit on Sale of Fixed Assets	-	3,137,000
	-	3,137,000
Note 15 : Change in Inventories		
1 Opening Stock of Goods	3,616,343	3,616,343
2 Closing Stock of Goods	3,616,343	3,616,343
	-	-
Note 16 : Employment Benefit Expenses		
1 Wages & Salaries	930,488	1,005,892
2 Staff Welfare Expenses	10,847	509
	941,335	1,006,401
Note 17 : Financial Cost		
1 Interest	1,035	9,900
2 Bank Charges	18,313	10,086
	19,348	19,986
Note 18 : Depreciation & Amortised Cost		
1 Depreciation	3,234,619	3,232,518
	3,234,619	3,232,518
Note 19 : Other Expenses		
1 Audit Fees	30,000	33,708
2 Legal & Professional Charges	111,021	596,640
3 Share Registration and Processing Fees	34,320	44,721
4 Listing & Custodial Fees	33,708	202,538
5 Rent, Rates & Taxes	31,500	
6 Conveyance Expenses	161,758	136,041
7 Travelling Expenses	18,510	29,954
8 Advertisement Expenditures	43,415	31,720
9 Printing & Stationery	122,647	37,207
10 Testing & Inspection Charges	12,100	-
11 Repairs & Maintenance	129,289	-
12 General Expenses	62,317	186,021
13 Electricity Charges	452,760	418,340
14 Security Charges	513,372	529,440
	1,756,717	2,246,330

OXIDES AND SPECIALITIES LIMITED

Note - 20

SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31st MARCH, 2013

(i) **General:**

The financial statements are prepared on the historical cost basis and on the accounting principles of a going concern.

All expenses and income to the extent considered payable and receivable, respectively, with reasonable certainty, unless specifically stated to be otherwise, are accounted for on mercantile basis.

Use of estimates

The presentation of financial statements is in conformity with generally accepted accounting principles and it requires management to make estimates and assumptions that affects the reported amounts of assets and liabilities, and the disclosure of contingent liabilities on the date of financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

(ii) **Fixed Assets:**

Fixed assets are capitalized at cost inclusive of freight, duties, taxes and all other incidental expenses related thereto. The diminution, if any, in the book value of these assets is provided for in the year of such determination of diminution.

(iii) **Depreciation:**

- a) Premium on Leasehold land is being amortized from the commencement of commercial production over the remaining period of the lease.
- b) In respect of other Fixed Assets, depreciation is provided on Straight Line Method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.
- c) Continuous Process Plant' as defined in the said Schedule is considered on technical assessment and depreciation provided accordingly.

(iv) **Investments:**

Current investments are carried at lower of cost and quoted/fair value, computed category wise. Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

(v) **Borrowing costs:**

Borrowing costs attributable to the acquisition and reconstruction of qualifying assets are capitalized as part of the cost of respective assets up to the date when such asset is ready for its intended use. Other borrowing costs are charged to revenue.

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(vi) Inventories:

Inventories are valued at the lower of cost and net realizable value. Cost is assigned on FIFO basis. Obsolete, defective and unserviceable stocks are provided for. Cost of Finished goods and work in process include conversion and other costs incurred in bringing the inventories to their present location and condition.

(vii) Accounting for Taxes on Income:

Provision for Income Tax is made on the basis of the estimated taxable income for the current accounting period in accordance with the Income Tax Act, 1961.

Deferred tax resulting from timing difference between book and tax profits is accounted for under the liability method, at the current rate of tax, to the extent that the timing differences are expected to reverse. Deferred tax assets are recognized and carried forward only if there is a reasonable / virtual certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

(viii) Foreign Exchange Transactions:

Transactions in Foreign Currency are recorded at the rate of exchange in force at the date of the transaction.

Current Assets and Current Liabilities in Foreign Currency outstanding at the year end, if any, are stated at the rate of exchange prevailing at the close of the year and resultant gain/loss is recognized in the Profit and Loss Account for the year.

(ix) Miscellaneous Expenditure:

Deferred Revenue Expense are being amortized / charged off over a period of ten years.

(x) Government Grants:

Grants are accounted for where it is reasonably certain that the ultimate collection will be made. Grants in the nature of Project Capital Subsidy are credited to Capital Reserve and transferred to Revenue Reserve on completion of the stipulated period under the scheme.

(xi) Retirement Benefits:

Liability in respect of gratuity is provided for on the basis of valuation, as worked out at the year end by the Company according to provisions of the Payment of Gratuity Act, 1972.

OXIDES AND SPECIALITIES LIMITED

Liability in respect of Leave encashment is provided on the basis of valuation, as worked out according to company policy.

(xii) Provisions, Contingent Liabilities and Contingent Assets :

A Provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation. Contingent Liabilities, if material are disclosed by way of notes to accounts. Contingent assets are not recognized or disclosed in the financial statements.

NOTES TO ACCOUNTS

- 1 Contingent liabilities not provided for in respect of:
 - (a) Claims against the Company not acknowledged as debts Rs.875,615/- (Previous year Rs. 875,615/-)
 - (b) Interest liability or penalty on delayed payment of statutory dues and suppliers (including small scale industrial Undertakings), amount unascertainable.
 - (c) Arrears of dividend payable to preference shareholder @ 0.1% amounts to Rs. 415726/- (Previous year Rs.370726). The amount of dividend payable to preference shareholder is not provided in the Books of accounts
- 3 Company is a Sick Company as declared by the Hon'ble Board for Industrial and Financial Reconstruction (BIFR). Company has approached to Hon'ble BIFR for restructuring and submitted restricting proposal for revival of operation. The accounts have been prepared on a going concern basis, since the management is actively pursuing the possibility of revival of operations.
- 4 The accounts of certain creditors and debtors are subject to confirmations and reconciliation, if any.
- 5 In the opinion of the Board, All Assets other than Fixed Assets and Non Current Investments have a value on realization in the ordinary course of business at least equal to the amount at which they are stated and provision for all known and determined liabilities are adequate and not in the excess of the amount stated, in the financial statements.
- 6 The Company is primarily engaged in the business of Manufacturing Yellow Iron Oxides & Magnetic Iron Oxide (MIO) and other related products. Since the inherent nature of activities as a whole is governed by the same set of risk and returns, these have been grouped as a single segment. The said treatment is in accordance with the accounting standard on "Segment Reporting" (AS-17) as issued by The Institute of Chartered Accountants of India.
8. **Calculation of Earnings per Share:**

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7. Names of related parties

Names of related parties where control exists irrespective of whether transactions have taken place or not	N.A.
Names of other related parties with whom transactions have taken place during the year	<ol style="list-style-type: none">1. New Era Advisors Pvt. Limited2. Maharashtra Polybutenes Ltd.
Associates	<ol style="list-style-type: none">1. ISG Traders Limited2. Duncans Industries Limited3. Shubh Shanti Services Ltd.4. NRC Limited5. Unimers India Limited6. Andhra Cement Limited
Key Management Personnel	Mr. Brijmohan Raithi, Director
Relatives of key management personnel	N.A.
Enterprises owned or significantly influenced by key management personnel or their relatives	Maharashtra Polybutenes Ltd.

OXIDES AND SPECIALITIES LIMITED

(I) Related Party Disclosure

(Amount in Rs.)

	Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel)		Associates		Enterprises owned or significantly influenced by key management personnel or their relatives	
	FY 2013	FY 2012	FY 2013	FY 2012	FY 2013	FY 2012
Employee Benefits for Key Management Personnel	-	-	-	-	-	-
Fixed Asset Sold						
Maharashtra Polybutenes Ltd.	-	-	-	-		35,08,725
Loan Taken						
New Era Advisors Pvt. Ltd.	-	-		56,35,000	-	-
Loan Repay						
New Era Advisors Pvt. Ltd.	-	-	-	(56,50,000)	-	-
Share Application Money received						
New Era Advisors Pvt. Ltd.	-	-	6,35,000	2,00,000	-	-
Sunciti Financial Services Pvt. Ltd	-	-	31,70,000	18,00,000	-	-
Brijmohan Rathi		2,50,000	-	-	-	-
Balance payable at year end						
New Era Advisors Pvt. Ltd.	-	-	31,408	31408	-	-
Duncans Industries Ltd	-	-	5,69,27,584	5,69,27,584	-	-
ISG Traders Ltd	-	-	4,11,69,000	4,11,69,000	-	-
Sunciti Financial Services Pvt. Ltd	-	-	31,124	31,124	-	-

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Particulars	<u>2012-13</u>	<u>2011-12</u>
<u>Numerator:</u>		
Loss as per Profit and Loss Account	(59, 52,029)	(33, 68,235)
<u>Denominator:</u>		
Weighted average number of equity shares outstanding During the year (nos.)	1,16,69,822	1,16,69,822
Basic and Diluted Earnings per share (Face value of Rs.10 per share)	(0.51)	(0.29)

9. In view of the continuing losses, the management, as a matter of prudence, has not recognized net deferred tax assets in respect of unabsorbed / carried forward losses and depreciation.
10. In the absence of necessary information with the Company relating to the registration status of suppliers under the Micro, Small and Medium Enterprises Development Act, 2006, the information required under the said Act could not be compiled and disclosed.
11. Payment to Auditors:

	FOR THE YEAR ENDED 31ST March 2013	FOR THE YEAR ENDED 31ST March 2012
Statutory Audit Fees	30,000	30000
Service Tax	Nil	3708
	30000	33708

12 Additional information pursuant to the Financial Statements:

(a) Capacity and production:

	FOR THE YEAR ENDED 31ST March 2013 Qty. (M.T)	FOR THE YEAR ENDED 31ST March 2012 Qty. (M.T)
Installed capacity (p.a.) *		
Yellow Pigments	2000	2000
Meta Nitro Aniline	500	500
4 Nitro 2 Amino Phenol	330	330
4 Sulpho Anthranilic Acid	500	500
Broner Acid	250	250
G Salt	330	300

* As certified by Management on which auditors have placed reliance, being a technical matter.

* Under Implementation.

OXIDES AND SPECIALITIES LIMITED
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(b) Turnover:

	Units	FOR THE YEAR ENDED 31 st March 2013	FOR THE YEAR ENDED 31 st March 2012
		<u>Qty.</u> <u>(Units)</u>	<u>Qty.</u> <u>(Units)</u>
Yellow Pigment	M.T.	Nil	Nil

(c) Opening and Closing stock of finished goods :

	<u>Opening Stock</u>	<u>Closing Stock</u>
	As at 31 st March, 2013 Qty (MT)	As at 31 st March, 2012 Qty (MT)
Magnetic Iron Oxide	2,550	2,550
Yellow Pigment	6,600	6,600
Ferrous Fumrate	1,100	1,100

- 13** No forward exchange contracts are outstanding on the balance sheet dates which are entered to hedge foreign exchange exposures of the Company.

Supplementary Statutory Information:

Directors' Remuneration

	2013 (` In Lacs)	2012 (` In Lacs)
Salaries	Nil	Nil

Above remuneration includes allowances and perquisite provided to directors.

Previous year's figures have been regrouped/ rearranged wherever necessary to conform to the current year's presentation.

As per our report attached

**For BKG & ASSOCIATES
Chartered Accountants**

For & On behalf of the Board

**C.A. B.K.Gupta
Partner**

**Prakash Selot
Finance Controller**

**Sangeeta Rathi
Director**

**Brijmohan Rathi
Director**

**Membership No.: 040889
Firm Reg. No.: 114852W**

**Place : Mumbai
Date : 28th May, 2013.**

OXIDES AND SPECIALITIES LIMITED

F/1 MIDC Area, Lote- Parshuram, Taluka-Khed Dist- Ratnagiri (Mah.)- 415 722

ATTENDANCE SLIP

Please complete this attendance slip and hand over at the entrance of the meeting hall.

Folio No.: _____ DP ID No.*: _____ Client ID No.*: _____

Name: _____

Address of the Share holder _____

No. of Shares held _____

I/We hereby record my/our presence at the 26th Annual General Meeting of the Company held on Saturday 21st September 2013 at 10.00 A.M. at the Registered Office of the Company at F/1 MIDC Area, Lote- Parshuram, Taluka Khed, Dist- Ratnagiri (Mah.)- 415 722

_____ Signature of Shareholder(s)/Proxy

*Applicable for investors holding shares in electronic form/ demat.

OXIDES AND SPECIALITIES LIMITED

F/1 MIDC Area, Lote- Parshuram, Taluka-Khed Dist- Ratnagiri (Mah.)- 415 722

PROXY FORM

Folio No.: _____ DP ID No.*: _____ Client ID No.*: _____

I/We _____, _____ of

_____ in the district of _____

being a member(s) of the above-named Company hereby appoint _____

of _____ in the district of _____

_____ or failing him _____

of _____ in the district of _____ as my/our

proxy to vote for me/us on my/our behalf at the **26th Annual General Meeting** of the Company to be held on Saturday 21st September 2013 at 10.00 A.M. at the Registered Office of the Company at F/1 MIDC Area, Lote- Parshuram, Taluka Khed, Dist- Ratnagiri (Mah.)- 415 722 and at any adjournment thereof.

Signed this _____ day of _____ 2013.

* Applicable for investors holding shares in electronic/ demat form.

Affix Re.1 Revenue Stamp

NOTE:

A member entitled to attend and vote, is entitled to appoint a proxy to attend and vote on his/ her behalf and the proxy need not be a member of the Company. The Proxy form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

BOOK - POST

TO,

If not delivered please return to:
OXIDES AND SPECIALITIES LIMITED
R-802, TTC INDUSTRIAL AREA,
THANE BELAPUR ROAD
MAHAPE, NAVI MUMBAI - 400701

FORM A

Covering letter of the annual audit report to be filed with the stock exchanges.

1.	Name of the Company	Oxides and Specialities Limited
2.	Annual financial statements for the year ended	31 st March, 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	No observation
5.	To be signed by- Brijmohan Rathi, Managing Director Prakash Selot, CFO B.K. Gupta, Auditor V.B. Dalal, Audit Committee Chairman	