



**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 Rathi, 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;

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- c. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. The directors had prepared the annual accounts on a going concern basis;
- e. The internal financial controls for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information are adequate and are operating effectively; and
- f. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

9. BOARD MEETINGS

During the year under review four Board meetings were held. The dates on which the meetings were held are May 28, 2015, August 12, 2015, November 14, 2015 and February 13, 2016.

10. PARTICULARS OF EMPLOYEES

During the year under review, none of the employees received remuneration of or in excess of the limits prescribed under the provision of section 197 of the Companies Act, 2013, read with sub-rule (2) of rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

11. STATUTORY AUDITORS

In 28th AGM held on September 29, 2015 M/s B K G & Associates, Statutory Auditors of the Company, have been appointed till the conclusion of Annual General Meeting to be held on year 2017, subject to rectification of their appointment at every AGM. Rectification of appointment is being sought from the members of the Company at the ensuing AGM for their appointment as Statutory Auditors for the financial year 2016-2017.

12. DIRECTOR COMMENT ON AUDITOR'S REPORT

The observations made by the Auditors in their report read with relevant notes given in the Notes to Accounts are self-explanatory and therefore, do not require any comments from your Directors pursuant to section 134(3) (f) of the Companies Act, 2013.

13. COST AUDIT

The Company is not required to have its cost records audited as per the Companies (Cost Records and Audit) Amendments Rules, 2014.

14. SECRETARIAL AUDIT

Ms. Disha Dugar, a Practising Company Secretary, (Membership number Fellow

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8128, Certificate of Practice number 10895) was appointed as the Secretarial Auditor and the report has been annexed and forms an integral part of Directors' Report. The report is self explanatory.

15. PARTICULARS OF TRANSACTIONS WITH RELATED PARTIES

All the transactions entered into by the Company with related parties were in ordinary course of business and were at arm's length. Transactions with related parties are conducted in a transparent manner and the rules are complied by. Since all the related party transactions were entered by the Company in ordinary course of business and were at arm's length basis, FORM AOC- 2 is not applicable to the Company.

16. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Particulars of loans and advances given and investments made have been given in note no. 8, 9 and 13 of Notes to accounts annexed with Balance Sheet and Profit and Loss Account.

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

Information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, form part of this Report.

18. CORPORATE GOVERNANCE

As per Regulation 34 (3) SEBI (LODR) Listing Regulations, 2015, a separate section on Corporate Governance forms part of the Annual Report. A certificate confirming the compliance of conditions of corporate governance under 17 (8) SEBI (LODR) Listing Regulations, 2015 is also attached to this Report.

19. EMPLOYEE RELATIONSHIP

The Company enjoyed very cordial relations with the employees during the Year under review and the Management wishes to place on record its sincere appreciation of the efforts put in by workers, staff and executives.

20. LISTING WITH STOCK EXCHANGE

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

21. DEMATERIALISATION OF SHARES

Company has the facility to dematerialise its shares with both depositories viz. CDSL and NSDL.

22. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

Since the date of financial statements there are no material changes affecting the financial position of the Company.

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23. CORPORATE SOCIAL RESPONSIBILITY INITIATIVE

The provisions of Section 135 of the Companies Act, 2013 regarding Corporate Social Responsibility (CSR) are not applicable to the Company. However, your Company appreciates the concept of CSR and shall take initiatives at appropriate time.

24. POLICY OF APPOINTMENT & REMUNERATION

Pursuant to the provisions of Section 178(1) of the Companies Act, 2013 a Nomination and Remuneration Committee is in place.

25. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

There were no funds liable to be transferred to Investors Education and Protection Fund.

26. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Pursuant to Sexual Harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013; the company has a policy in place, for prevention of sexual harassment. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The Company did not receive any complain during the year 2015-16.

27. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

None of the regulators or Courts of Law has passed an order which can impact the going concern status of the Company.

28. SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANY

No subsidiary company was formed during the year. There were no joint venture operations during the year.

29. RISK MANAGEMENT POLICY

The Company has a well structured internal control system through internal audit, administrative controls, clear authority and responsibility and reporting system.

30. ACKNOWLEDGEMENTS

The Directors would like to express their sincere appreciation and gratitude for the support and co-operation received from the Central and State Governments Department, Civic Corporation and authorities, Banks, Customers, Suppliers, Associates, Vendors and Members during the year under review. The Directors also wish to thank and place on record their appreciation for all the employees for their committed and sincere services and continued cooperation throughout the year.

Place: Navi Mumbai
Date: May 19, 2016

For and on behalf of the Board

Brijmohan Rathi
Director

Sangeeta Rathi
Director

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ANNEXURE TO THE DIRECTOR'S REPORT

Information under provisions of the Companies Act, 2013 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, 2015.

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 judicious usage.
- (b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy: Production activities are suspended, so there is no consumption of energy.
- (c) Impact of energy conservation measures :
- No electricity was consumed for production or other purpose as production activities are suspended.
- (d) Total energy consumption & energy consumption per unit of production:
- No energy (electricity, coal, furnace oil or other) 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, but due to product quality and financial constraints the operations could not be restarted.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The internal control system is well structured to safeguard the assets of the company. The Company follows pre-defined 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 present circumstances.

CORPORATE GOVERNANCE REPORT

(Pursuant to 17 to 27 and 34 (3) of the SEBI (LODR) Listing Regulations)

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-a-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 Regulation 17 to 27 and 34 (3) of the SEBI (LODR) Listing Regulations

The Company has complied with the Regulations of the SEBI (LODR) Listing Regulations, 2015. The Company has adopted Code of Conduct, which prescribes certain dos and don'ts for 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 is comprised of 4 Directors as on March 31, 2016. The name and categories of the Directors, the number of Directorship and Board Committees position held by them in the companies along with details of attendance of Directors at Board Meetings, Annual General Meeting and other Directorships are 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 Regulation 26 of the Listing Regulations).

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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	4	4	Yes	1	1	-
V. B. Dalal	Director	Independent, Non Executive	4	4	No	2	1	2
Abhay N. Manudhane	Director	Independent, Non Executive	4	4	No	1	2	-
Sangeeta Rathi	Director C.E.O.	Promoter, Executive	4	4	Yes	1	2	-

- Brijmohan Rathi and Sangeeta Rathi are relatives. Other directors are not related inter-se.
- None of the Non –Executives directors holds shares or convertible instruments in the Company.
- * The Directorships held by Directors as mentioned above in listed Companies, do not include Alternate Directorships, Directorships of Foreign Companies, Private Limited Companies and Section 8 Companies.
- ** In accordance with Regulation 26 of the Listing Regulations, Membership/ Chairmanship of only the Audit Committees and Shareholders'/ Investors' Grievance Committees of all Public Limited Companies have been considered excluding details of Oxides and Specialities Limited.

b) Details of Board Meeting

Four Board Meetings were held during the year. The dates on which the meetings were held are May 28, 2015, August 12, 2015, November 14, 2015 and February 13, 2016. The 28th Annual General Meeting was held on September 29, 2015.

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, 2016.

3. AUDIT COMMITTEE

The Board has, in accordance with the provisions of the Companies Act, 2013, constituted an 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.

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a) The terms of reference:

The terms of reference of the Audit committee are as stated in Regulation 18 of the Listing Regulations and Section 177 of the Companies Act, 2013 and more particularly include the following;

- a. Review of management discussion and analysis of financial condition and results of operations;
- b. Review of statement of significant related party transactions
- c. Review of management letters / letters of internal control weaknesses issued by the statutory auditors;
- d. Review of internal audit reports relating to internal control weaknesses; and
- e. appointment, removal and terms of remuneration of the internal auditor

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
Abhay N. Manudhane	Member

All the members of the Committee are financially literate.

c) Details of meetings:

During the year under review, the Audit Committee met four times and all the members of committee were present in the meeting. The dates on which the meetings were held are on May 28, 2015, August 12, 2015, November 14, 2015 and February 13, 2016.

4. Remuneration Committee

Remuneration Committee, constituted as per regulation 19 of the Listing Regulations and Section 178 of the Companies Act, 2013, determines qualifications, positive attributes and independence of directors and recommends to the Board of Directors a policy relating to the remuneration of the Directors, Key Managerial Personnel and other Employees.

a) Composition of Remuneration Committee

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

OXIDES AND SPECIALITIES LIMITED

Name of Directors	Position held
V. B. Dalal	Chairman
Brijmohan Rathi	Member
Abhay N. Manudhane	Member

b) Details of meetings:

The Remuneration Committee has not met during the year under review as there was no business.

The Committee suggests various criteria for evaluating the performance of Independent Directors of the Company.

c) Remuneration to Director

No commission has been paid to any of the Directors.

The detail of remuneration paid to the directors is as follows:

in ₹

Name of Director	Sitting Fees	Salary/Bonus/ Pension/ Incentives	Total	Services Contract/ Notice Period/ Severance fees
Brijmohan Rathi	Nil	Nil	Nil	Retirement by Rotation
V. B. Dalal	Nil	Nil	Nil	Fixed Term
Sangeeta Rathi	Nil	Nil	Nil	Retirement by Rotation
Abhay N. Manudhane	Nil	Nil	Nil	Fixed Term

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

ii. There is no pecuniary relationship or transactions of the non-executive directors vis-a-vis the Company.

5. 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.

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a) Composition of Share Transfer Committee:

Name of Directors	Position held
Brijmohan Rathi	Chairman
Sangeeta Rathi	Member
Prakash Selot	Member

b) Details of share transfer request 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 or transfer of shares received during the year have been processed in time.

B) STATKEHOLDER RELATIONSHIP COMMITTEE

The committee has been assigned the work of redressing of grievances of shareholders on quarterly basis as per regulation 20 of the Listing Regulations. During the year, under review Stakeholder Relationship Committee met 4 times. The dates on which meetings were held are May 28, 2015, August 12, 2015, November 14, 2015 and February 13, 2016.

a) Composition of Stakeholder Relationship Committee:

The Committee comprises of following Directors:

Name of Directors	Position held
V.B. Dalal	Chairman
Abhay N. Manudhane	Member
Sangeeta Rathi	Member

Mr. Prakash Selot is the Compliance Officer of the Company.

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

During the year, the Company had received 3 complaints and the same have been resolved in the stipulated time period and no complaints are pending at the end of the year.

6. GENERAL BODY MEETINGS:

a) Annual General Meeting:

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

OXIDES AND SPECIALITIES LIMITED

AGM	Financial Year	Date	Location of Meeting	Time	No. of Special Resolution passed
26 th	2012-13	September 21, 2013	Registered Office of the Company	10.00 A.M.	-
27 th	2013- 14	September 26, 2014	Registered Office of the Company	10.00 A.M.	-
28 th	2014- 15	September 29, 2015	Registered Office of the Company	11.00 A.M.	-

b) Extraordinary General Meeting

No Extraordinary General Meeting was held during the year under review.

7. OTHER 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 para number 6 of Note to Accounts annexed to Note 20; forming part of the Annual Report.
- b) The equity shares of the company are listed at the BSE Limited but are under suspension due to non-compliances.
- c) The Company has vigil mechanism and whistle blower policy in place. No personnel have been denied access to the audit committee.
- d) All disclosures regarding mandatory compliances have been made.

8. MEANS OF COMMUNICATION:

Quarterly/Half yearly report to shareholders	Quarterly/Half Yearly results of the Company are published in the newspapers and are displayed on Company's website also.
Yearly result	The Company publishes its Yearly Results in the news papers as well as has displayed the same on Company's website also. Yearly results are part of Annual Report.
Any Website, where displayed Newspaper wherein result normally published	Yes, www.oxides.in The Financial Express & Apla Mahanagar
Whether the site also displays official news releases and the presentation made to institutional investors or to the analysts.	Price sensitive information / official news are shared with the stock exchange and displayed at the company website.

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9. GENERAL SHAREHOLDER INFORMATION:

a) 29th Annual General Meeting

Date : Wednesday, September 21, 2016.

Time : 11.00 A.M.

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

b) Events in Financial Year (tentative): 2016 - 2017

Financial Reporting for the Quarter ending:

- June 30, 2016 : By mid of August, 2016
- September 30, 2016 : By mid of November 2016
- December 31, 2016 : By mid of February 2017
- March 31, 2016 : By end of May, 2017

c) Date of Book Closure

From Saturday, September 17, 2016 to Wednesday, September 21, 2016 (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 BSE Limited. Annual Listing Fees as applicable, is to be paid to the stock exchange.

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.

OXIDES AND SPECIALITIES LIMITED

j) Distribution of Shareholding as on March 31, 2016

No. of Equity Shares held	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
Up to 500	15995	95.49	2450065	20.99
501 - 1000	477	2.85	398200	3.41
1001 - 2000	158	0.94	248190	2.13
2001 – 3000	45	0.27	116950	1.00
3001 – 4000	15	0.09	55050	0.47
4001 – 5000	18	0.11	85280	0.74
5001 – 10000	22	0.13	163880	1.40
10001 - Above	20	0.12	8152207	69.86
Grand Total	16750	100.00	11669822	100

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, 2016:

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	418630	3.58
Public	4764152	40.84
Other	2740	0.02
Grand Total	11669822	100.00

Note: Figures shown in para j), k) and l) above are three years old figures as the company has not received data as at 31/03/2016 from the Registrar and Transfer Agent.

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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) The Company has not imported or exported any goods or services during the year and there is no reportable foreign exchange risk.

o) Plant Locations:

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

p) 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.
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

10. All the mandatory requirements of Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations have been complied with.

11. No shares were transferred during the year to any shareholder from suspense account.

12. NON MANDATORY REQUIREMENTS

1. Shareholders' Rights

The Half-yearly results of the company are published in English and vernacular Newspaper. The results are also uploaded on the website of the company at www.oxides.in.

2. Modified opinion(s) in audit report

There is no modified opinion of the management regarding audit report for the financial year 2015-2016.

3. Maintaining separate posts of Chairperson and Chief Executive Officer

The Company has appointed a Director as the Chief Executive Officer. The Company does not have a Chairperson.

4. Reporting of internal auditor

The internal auditors of the Company reports to the Board, but the internal audit reports are first placed before the Audit Committee.

OXIDES AND SPECIALITIES LIMITED

Details of the Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting.
(Pursuant to Regulation 36 (3) of Listing Regulations, 2015)

Name of the Director	Mrs. Sangeeta Rathi
Date of Birth	September 29, 1969
Area of Experience	Asian Cable Limited, 18 months as a Management Trainee.Ciat Limited, 24 months as a trainee.Brijmohan Rathi & Co., Chartered Accountants, Mumbai, 24 months as a project finance consultant.
Educational Qualifications	B.Com, LL.B., Inter CS, Diploma in BDM
Companies in which he holds Directorships	Maharashtra Polybutenes Limited New Era Advisors Private Limited. Sunciti Financial Services Private Limited. Avni Energy Solutions Private Limited. International Spinning India Private Limited. Mystique Media Limited
Membership, Chairmanship of Board Committee	2 Nil
Shareholding in the company	Nil

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DECLARATION BY THE CHIEF EXECUTIVE OFFICER AND THE CHIEF FINANCIAL OFFICER UNDER REGULATION 17 (8) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The Board of Directors

Oxides and Specialities Limited

We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2016 and to the best of our knowledge and belief, we hereby certify that:

1. These statements neither contain any materially untrue statement nor omit any material fact nor contain any misleading statements.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. To the best of our knowledge and belief, there are no transactions entered into by the Company during the year 2015-2016 which are fraudulent, illegal or which violates the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control system of the Company and disclosed to the Auditors and Audit Committee. Based on our most recent evaluation, no deficiencies in the design or operation of internal control were noted.
5. We further certify that:-
 - There have been no significant changes in internal control over financial reporting during the year.
 - There have been no significant changes in accounting policies during the year.
 - There have 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. We further declare that pursuant to regulation 17 to 27 of the SEBI (LODR) Listing Regulation, all Board Members and Senior Managerial Personnel have affirmed compliance with the code of conduct for the current year.

Place: Navi Mumbai
Date: May 19, 2016

Sangeeta Rathi
Director and C.E.O

Prakash Selot
C.F.O

OXIDES AND SPECIALITIES LIMITED

CERTIFICATE

Under Regulation 34(3) and 53(f) of the SEBI (LODR) Listing Regulation

To

The Members

M/s Oxides and Specialities Limited

We have examined the compliance of Corporate Governance by Oxides and Specialities Limited for the year ended March 31, 2016, as stipulated in regulation 17 to 27 and 34 (3) of the SEBI (LODR) Listing Regulations, 2015 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 review of the 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 above mentioned Listing Regulation.

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 March 31, 2016 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**

**Place: Mumbai
Date: May 19, 2016**

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

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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

OXIDES AND SPECIALITES LIMITED

We have audited the accompanying financial statements of OXIDES AND SPECIALITES LIMITED, which comprise the Balance Sheet as at March 31, 2016 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

Company's Board of Director is responsible for the matters stated in Section 134(5) of The Companies Act, 2013 (The Act) with respect to 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 notified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies ;making judgement and estimates that are reasonable and prudent ;and design, and implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. . 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 financial controls relevant to the Company's preparation of the financial statements that give a true and Fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating

OXIDES AND SPECIALITIES LIMITED

effectiveness of such controls. Audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors,, 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 on the Financial Statement.

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, 2016 ;
- (b) in the case of the Profit and Loss Account, of the profit 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, 2016, issued by the Central Government of India in terms of sub-section 11 section 143 of the Act hereinafter referred to as the "Order", and on the basis of such checks of the Books and records of the company as we considered appropriate and according to the information and explanations given to us we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that :
 - a. We have sought and 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 it appears from our examination of those books.
 - c. The Balance Sheet, The 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 dealt by this report comply with the Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules 2014.
 - e. On the basis of written representation received from the directors as on March, 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of The Act

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With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanation given to us :

- i) The Company does not have any pending litigations which would impact its financial position.
- ii) The Company did not have any long- term contracts including derivative contracts for which there were any material foreseeable losses.
- iii) There has been no delay in transferring amounts ,required to be transferred to the Investor Education and Protection Fund by the Company.

**FOR BKG & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Reg. No.: 114852W**

**Place: Mumbai
Dated: 19th May, 2016**

**(CA. B.K.Gupta)
Partner
Membership No.: 040889**

OXIDES AND SPECIALITIES LIMITED

ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in our report to the members of OXIDES AND SPECIALITES LIMITED for the year ended on 31st March 2016.

We report that:

1. In respect of its Fixed Assets

- (i) As explained to us the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (ii) As explained to us, the fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (iii) Title deeds of the immoveable properties are held in the name of the Company.

2. In respect of its Inventories

As informed to us and on the basis of our examination, the Inventory has been physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on such physical verification.

3. In respect of loans covered u/s 189

- (a) The Company had granted unsecured advances to parties covered in the register maintained under section 189 of The Companies Act 2013.
- (b) The loans granted were re-payable on demand. As informed, repayment has been made during the year whenever demanded.
- (d) Whenever stipulated, interest and principal have been received regularly. There were no overdue of principal and interest for more than 90 days.
- (e) In respect of Loans, investments, guarantees and securities; whether provisions of section 185 and 186 of the Companies Act 2013 has been complied with, if not provide details:

As informed to us, the company has not accepted any deposits

- 4. Maintenance of cost records has not been specified by the Central Government under sub-section (1) of Section 148 of the Companies Act 2013.
- 5. (a) According to the books of accounts examined by us and also based on representation received from the management and information and explanation given to us, the company has generally been regular in depositing liability towards undisputed statutory dues including Provident Fund, Employees State Insurance, Income tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and any other statutory dues with the appropriate authorities. However the following are the taxes etc which have remained outstanding for more than six month as on the date of the balance sheet i.e. 31/03/2016.

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₹ 9,02,044/- towards provident fund; ₹ 1,72,952/- towards sales tax; ₹ 5,22,217/- towards professional tax; ₹ 39956/- towards MVAT; ₹ 34,173/-towards Excise duty; ₹ 6,11,631/-towards Chiplun Gram Panchayat tax; ₹ 5,22,000 towards Service Tax. The Company is under BIFR purview and proposes to pay the statutory dues as mentioned in the draft rehabilitation scheme.

- (b) According to the information and explanations given to us there are no dues of income tax or wealth tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of dispute.
6. 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 / Government or dues of debenture holders.
 7. The Company has not raised any money by way of initial public offering or further public offer (including debt instruments) and term loans during the year.
 8. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the company or any fraud on the Company by its officers or employees was noticed or reported during the year.
 9. Managerial remuneration has been provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
 10. All the transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and details have been disclosed in the financial statement as required by the applicable accounting standards.
 11. The Company has not made any Preferential / private placement of shares or private placement of fully or partly convertible debentures during the year under review.
 12. The Company has not entered into any non-cash transactions with directors and persons concerned with the
 13. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**FOR BKG & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Reg. No.: 114852W**

**Place: Mumbai
Dated: 19th May, 2016**

**(CA. B.K.Gupta)
Partner
Membership No.: 040889**

OXIDES AND SPECIALITIES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	Note No.	₹	
		ASAT 31-03-2016	ASAT 31-03-2015
I. EQUITY AND LIABILITIES			
1. Shareholder's Funds			
(a) Share Capital	1	16,16,98,220	16,16,98,220
(b) Reserves and Surplus	2	(31,79,29,738)	(31,75,80,155)
		<u>(15,62,31,518)</u>	<u>(15,58,81,935)</u>
2. Share Application money pending allotment		4,97,19,000	5,37,80,000
3. Non-Current Liabilities			
(a) Long-Term Borrowings	3	10,71,87,179	10,69,98,455
		<u>10,71,87,179</u>	<u>10,69,98,455</u>
4. Current Liabilities			
(a) Trade Payables	4	2,79,80,453	2,79,54,442
(b) Other Current Liabilities	5	2,36,90,718	1,96,73,152
(c) Short-Term Provisions	6	36,52,547	58,51,357
		<u>5,53,23,718</u>	<u>5,34,78,951</u>
Total Equity & Liabilities		<u>5,59,98,379</u>	<u>5,83,75,471</u>
II. ASSETS			
1. Non-Current Assets			
(a) Fixed Assets	7		
(i) Gross Block		36,33,44,838	36,33,44,838
(ii) Depreciation		31,89,39,629	31,60,68,043
(iii) Net Block		4,44,05,209	4,72,76,795
(b) Non-current investments	8	3,000	3,000
(c) Long term loans and advances	9	9,40,076	9,40,076
		<u>9,43,076</u>	<u>9,43,076</u>
2 Current Assets			
(a) Inventories	10	36,16,343	36,16,343
(b) Trade receivables	11	4,82,568	4,82,568
(c) Cash and cash equivalents	12	2,25,366	31,950
(d) Short-term loans and advances	13	63,25,816	60,24,738
		<u>1,06,50,093</u>	<u>1,01,55,600</u>
Total Assets		<u>5,59,98,379</u>	<u>5,83,75,471</u>

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
CFO

Sangeeta Rathi
Director & CEO

Brijmohan Rathi
Director

Membership No.: 040889

Firm Reg. No.: 114852W

Place : Mumbai

Date : 19th May, 2016

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PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	Note No.	₹ FOR THE YEAR ENDED 31-03-2016	₹ FOR THE YEAR ENDED 31-03-2015
I Revenue from operations		-	-
II Other Income 14		36,00,000	12,04,750
III Total Revenue (I +II)		36,00,000	12,04,750
IV Expenses:			
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	15	-	-
Employee Benefit Expense	16	1,34,105	2,33,595
Financial Costs	17	1,28,112	5,829
Depreciation and Amortization Expense	18	28,71,585	28,71,585
Other Expenses	19	8,15,781	7,21,735
Total Expenses (IV)		39,49,583	38,32,744
V Profit/(Loss) before exceptional and extraordinary items and tax	(III - IV)	(3,49,583)	(26,27,994)
VI Exceptional Items		-	-
VII Profit before extraordinary items and tax	(V - VI)	(3,49,583)	(26,27,994)
VIII Extraordinary Items		-	-
IX Profit / (Loss)before tax	(VII - VIII)	(3,49,583)	(26,27,994)
X Tax Expense:		-	-
XI Net Loss for the year	(IX-X)	(3,49,583)	(26,27,994)
XII Earning per equity share:			
(1) Basic and Diluted		(0.03)	(0.23)

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

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
CFO

Sangeeta Rathi
Director & CEO

Brijmohan Rathi
Director

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

Place : Mumbai
Date : 19th May, 2016

OXIDES AND SPECIALITIES LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2016

	₹	₹	₹	₹
	For the year ended on 31.03.2016		For the year ended on 31.03.2016	
CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before tax and Extraordinary items	(3,49,583)		(26,27,994)	
Adjustment for :				
Depreciation	28,71,585		28,71,585	
Interest Charge	1,28,112		5,829	
	-	29,99,697	28,77,414	-
Operating Profit/(Loss) before Working Capital changes :		26,50,114		2,49,421
Adjustments for:Working Capital Changes				
Trade & other receivable		(3,01,078)		(24,734)
Inventories		-		-
Trade Payables		18,44,768		16,69,746
Cash Generated from Operations :		41,93,804		18,94,433
Direct taxes paid		-		-
Cash Flow before Extraordinary items :		41,93,804		18,94,433
Exceptional Items				
Sundry Balances excess provision written back (net)		-		-
Net Cash inflow/(out flow) from Operating Activities - "A"		<u>41,93,804</u>		<u>18,94,433</u>
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets		-		-
Sale of Assets		-		-
Capital work in progress		-		-
Net Cash from/(used) in Investing Activities - "B"		<u>-</u>		<u>-</u>
CASH FLOW FROM FINANCING ACTIVITIES				
Share Application money received		(40,61,000)		(21,70,000)
Borrowings		1,88,724		2,67,820
Interest paid		(1,28,112)		(5,829)
Dividend paid		-		-
Net Cash From / (used) in Financial Activities - "C"		<u>(40,00,388)</u>		<u>(19,08,009)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		1,93,416		(13,577)
Cash and Cash Equivalents (Opening Balance)		31,950		45,526
Cash and Cash Equivalents as at the end		<u>2,25,366</u>		<u>31,950</u>

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
CFO**

**Sangeeta Rathi
Director & CEO**

**Brijmohan Rathi
Director**

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

**Place : Mumbai
Date : 19th May, 2016**

ANNUAL REPORT 2015 - 2016

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2016

Note 1 : Share Capital

Particulars	₹ AS AT 31-03-2016	₹ AS AT 31-03-2015
1 AUTHORIZED CAPITAL		
1,50,00,000 Equity Shares of Rs. 10/- each.	15,00,00,000	15,00,00,000
50,00,000 cumulative redeemable preference shares of Rs.10 each	5,00,00,000	5,00,00,000
	20,00,00,000	20,00,00,000
2 ISSUED, SUBSCRIBED & PAID UP CAPITAL		
a) 1,16,69,822 (Previous Year 1,16,69,822) Equity Shares of Rs. 10/- each, fully paid up	16,16,98,220	16,16,98,220
b) 4,50,000 5% Cumulative Redeemable Preference Shares of Rs.10 each fully paid up	4,50,00,000	4,50,00,000
*[(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]		
	20,66,98,220	20,66,98,220
a) Reconciliation of the number of share outstanding is set out below:		
Name of the shareholder	No of Shares	No of Shares
Equity shares at the beginning of the year	1,16,69,822	1,16,69,822
Add: shares issued during the year	Nil	Nil
Equity shares at the end of the year	1,16,69,822	1,16,69,822
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.	57,75,230	57,75,230
	(57,75,230)	(57,75,230)
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.		

OXIDES AND SPECIALITIES LIMITED
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Particulars	₹ AS AT 31-03-2016	₹ AS AT 31-03-2015
Note 2 : Reserve & Surplus		
1 Capital Reserve	30,00,000	30,00,000
2 Surplus (Profit & Loss Account)	(3,49,583)	(26,27,994)
Add: Balance brought forward from previous year	(32,05,80,155)	(31,79,52,161)
Balance at the end of year	(32,09,29,738)	(32,05,80,155)
	(31,79,29,738)	(31,75,80,155)
Note 3 : Long Term Borrowings		
<u>Unsecured Loan</u>		
1 Loans and Advances From Related Parties	9,82,10,979	9,84,11,558
2 Others	89,76,200	85,86,897
	10,71,87,179	10,69,98,455
Note 4 : Trades Payable		
Creditors for supplies / services	2,79,80,453	2,79,54,442
	2,79,80,453	2,79,54,442
Note 5 : Other Current Liabilities		
1 Interest accrued and due on Long Term Borrowings	1,36,60,807	1,36,60,807
2 Duties & Taxes payable to Government	33,50,458	32,80,909
3 Deposits from Customer / Dealers	50,20,933	13,20,596
4 Advance from Customer	16,58,520	14,10,840
	2,36,90,718	1,96,73,152
Note 6 : Short Term Provisions		
1 Provision For Employees Benefit	36,52,547	58,51,357
	36,52,547	58,51,357

ANNUAL REPORT 2015 - 2016

Note 7 : Fixed Asset

Sr. No	Particulars	Rate	Gross Block			Depreciation			Net Block			
			As At 01-04-2015	Addition during the year	Deduction/ adjustments during the year	As At 31-03-2016	Upto 01-04-2015	For the Year	Deduction/ Adjustment during the year	Upto 31-03-2016	As At 31-03-2016	As At 31-03-2015
I	Tangible Assets											
1	Freehold Land	0.00%	16,34,943	-	-	16,34,943	-	-	-	-	16,34,943	16,34,943
2	Leasehold Land	1.08%	1,60,84,469	-	-	1,60,84,469	35,29,125	1,73,712	37,02,838	1,23,81,631	1,25,55,344	1,25,55,344
3	Buildings	3.34%	6,61,13,407	-	-	6,61,13,407	4,66,20,496	26,97,873	4,93,18,369	1,67,95,038	1,94,92,911	1,94,92,911
4	Plant & Machinery	5.28%	27,71,22,181	-	-	27,71,22,181	26,35,28,584	-	26,35,28,584	1,35,93,597	1,35,93,597	1,35,93,597
5	Office Equipment	4.75%	14,97,745	-	-	14,97,745	14,97,745	-	14,97,745	-	-	-
6	Furniture & Fixtures	6.33%	8,92,093	-	-	8,92,093	8,92,093	-	8,92,093	-	-	-
	TOTAL		36,33,44,838	-	-	36,33,44,838	31,60,68,043	28,71,585	31,89,39,629	4,44,05,209	4,72,76,795	4,72,76,795
	PREVIOUS YEAR		36,33,44,838	-	-	36,33,44,838	31,60,68,043	28,71,585	31,89,39,629	4,44,05,208	4,44,05,208	4,44,05,208

OXIDES AND SPECIALITIES LIMITED

	₹	₹
Particulars	AS AT 31-03-2016	AS AT 31-03-2015
Note 8 : Non Current Investment		
(Unquoted fully paid up - Non Trade , 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	8,67,992	8,67,992
2 Balance with Income Tax Authorities	72,084	72,084
	9,40,076	9,40,076
Note 10 : Inventories		
(As taken, valued at Cost and certified by the Management)		
1 Raw Material 369,089	3,69,089	
2 Work-in-Progress	17,58,960	17,58,960
3 Finished Goods	5,62,840	5,62,840
4 Stores & Spares	9,25,454	9,25,454
	36,16,343	36,16,343
Note 11 : Trade Recievables		
(Unsecured and considered doubtful)		
1 Outstanding for more than six months	4,82,568	4,82,568
2 Others	-	-
	4,82,568	4,82,568
Note 12 : Cash & Cash Equivalent		
1 Cash on Hand	1,87,142	5,443
2 Balance with Bank	38,224	26,507
	2,25,366	31,950
Note 13 : Short Terms Loans and Advances		
(Unsecured and considered doubtful)		
1 Balance With Revenue Authorities	20,66,601	20,60,723
2 Advance to Suppliers	36,47,845	37,37,845
3 TDS Receivable 2015-16	3,85,200	-
4 Others	2,26,170	2,26,170
	63,25,816	60,24,738

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Note 14 : Other Income	₹	₹
Particulars	For The Year Ended 31.03.2016	For The Year Ended 31-03-2015
1 Misc Receipts	-	4,750
2 Rent Received	36,00,000	12,00,000
	36,00,000	12,04,750
Note 15 : Change in Inventories		
1 Opening Stock of Goods	36,16,343	36,16,343
2 Closing Stock of Goods	36,16,343	36,16,343
	-	-
Note 16 : Employment Benefit Expenses		
1 Wages & Salaries	1,31,650	2,30,133
2 Staff Welfare Expenses	2,455	3,462
	1,34,105	2,33,595
Note 17 : Financial Cost		
1 Interest	1,27,000	-
2 Bank Charges	1,112	5,829
	1,28,112	5,829
Note 18 : Depreciation & Amortised Cost		
1 Depreciation	28,71,585	28,71,585
	28,71,585	28,71,585
Note 19 : Other Expenses		
1 Audit Fees	34,350	33,708
2 Legal & Professional Charges	2,36,096	1,24,645
3 Share Registration and Processing Fees	-	23,167
4 Listing & Custodial Fees	51,525	33,708
5 Travelling & Conveyance Expenses	49,116	43,488
6 Advertisement Expenditures	47,064	47,008
7 Postage & Courier Expenses	1,18,145	-
8 Printing & Stationery	9,732	86,853
9 Repairs & Maintenance	-	11,297
10 General Expenses	1,13,203	30,535
11 Electricity Charges	-	1,08,437
12 Security Charges	1,56,550	1,78,889
	8,15,781	7,21,735

OXIDES AND SPECIALITIES LIMITED

Note - 20

SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31st MARCH, 2016

(i) General:

Accounts are prepared under the historical cost basis in accordance with Generally Accepted Accounting Principles (GAAP), Accounting Standards notified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014 and the relevant provisions of the Companies Act 2013. All Income and expenditure having material bearing are recognized on accrual basis, except where otherwise stated.

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.
- a) In respect of other items of fixed assets, However consequent to the enactment of the Companies Act 2013 (The Act) and its applicability for accounting periods commencing after 1 April 2014 ,the company has re-worked depreciation with reference to the estimated economic lives of fixed assets in the manner prescribed by Schedule II to the Act as against past practice of providing depreciation at the rates prescribed in Schedule XIV of the Companies Act,1956.In case of any assets whose useful life has completed at the beginning of the year ,the carrying value ,net of the residual value as at 1-4-2014 has been adjusted to the retained earnings and in other cases the carrying value has been depreciated over the remaining useful life of the assets and recognized in the Statement of Profit and Loss Account. As a result of this change, the charge of depreciation in the statement of Profit and Loss Statement is lower by ₹ nil (Previous Year ₹ nil) and retained earning has been reduced by ₹ nil (Previous year ₹ nil).
- b) No depreciation is being provided wherein the written down value of individual asset has attained 95% of its actual cost.

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(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.

(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.

A. Revenue:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of Goods

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer.

Interest

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Expenditure

Expenses are accounted on accrual basis and the provisions are made for all known liabilities.

I. Impairment of Assets:

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

(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

OXIDES AND SPECIALITIES LIMITED

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.

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

(xii) Provisions, Contingent Liabilities and Contingent Assets :

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be outflow of resources.

- I. Contingent Liabilities (excluding those, liability whereof is not ascertainable) are not recognized but are disclosed in the notes forming part of accounts.
- II. Contingent Assets are neither recognized nor disclosed in the financial statements.

J. Cash and Cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

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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. 5,50,726/- (Previous year Rs.5,05,726). The amount of dividend payable to preference shareholder is not provided in the Books of accounts
2. Company is a Sick Company as declared by the Hon'ble Board for Industrial and Financial Reconstruction (BIFR). Company has approached Hon'ble BIFR for restructuring and has submitted restructuring 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.
- 3 The accounts of certain creditors and debtors are subject to confirmations and reconciliation, if any.
4. 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.
5. 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.

OXIDES AND SPECIALITIES LIMITED

6. 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: 1. New Era Advisors Pvt. Limited

Enterprises owned or significantly influenced by key management personnel or their relatives

1. Maharashtra Polybutenes Limited
2. New Era Advisors Private Limited
3. Sunciti Financial Services Private Limited
4. MPL Infra Developers Private Limited
5. Avni Energy Solutions Private Limited
6. Mystique Media Limited
7. International Spinning India Private Limited
8. Gujarat Textiles SEZ Infrastructure Private Limited

Key Management Personnel

Brijmohan Rathi, Director

Sangeeta Rathi, Director and Chief Executive Officer

Prakash Selot, Chief Financial Officer

Relatives of key management personnel N.A.

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(I) Related Party Disclosure

(Amount in ₹)

	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 2016	FY 2015	FY 2016	FY 2015	FY 2016	FY 2015
Employee Benefits for Key Management Personnel	-	-	-	-	-	-
Loan Taken						
Sunciti Financial Services Pvt. Ltd	-	-	-	1,37,832	-	-
New Era Advisors Pvt. Ltd.	-	-	-	1,70,000	-	-
Loan Repay						
Sunciti Financial Services Pvt. Ltd	-	-	20	25,266	-	-
New Era Advisors Pvt. Ltd.	-	-	2,00,559	-	-	-
Share Application Money received						
New Era Advisors Pvt. Ltd.	-	-	(12,71,000)	4,70,000	-	-
Sunciti Financial Services Pvt. Ltd	-	-	-	7,00,000	-	-
Brijmohan Rathi	(4,60,000)	5,00,00	-	-		
Balance payable at year end						
New Era Advisors Pvt. Ltd.	-	-	1,849	2,02,408	-	-
Sunciti Financial Services Pvt. Ltd			1,12,546	1,12,566		
	-	-			-	-
	-	-			-	-

OXIDES AND SPECIALITIES LIMITED
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7. Calculation of Earnings per Share:

Particulars	<u>2015-16</u>	<u>2014-15</u>
<u>Numerator:</u>	₹	₹
Loss as per Profit and Loss Account	(3,49,583)	(26,27,994)
<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)	(0.03)	(0.23)

8. 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.

9. 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.

10. Payment to Auditors:

	For the year Ended 31st March, 2016 ₹	For the year Ended 31st March, 2015 ₹
Statutory Audit Fees	30,000	30,000
Service Tax	4,350	3,708
	<u>34,350</u>	<u>33,708</u>

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11. 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

	2016	2015
	₹	₹
Salaries	Nil	Nil

Above remuneration includes allowances and perquisite provided to directors.

12. 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
Membership No.: 040889
Firm Reg. No.: 114852W

Prakash Selot
Chief Financial Officer

Sangeeta Rathi
Director & CEO

Brijmohan Rathi
Director

Place : Mumbai
Date : 19th May, 2016

OXIDES AND SPECIALITIES LIMITED

OXIDES AND SPECIALITIES LIMITED

CIN: L24119MH1987PLC042468

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

Tel.: Navi Mumbai Office: 022 2778 2210, 2778 2228 **Telefax:** 022 2778 0998

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

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

No. of Shares: _____

Regd. Folio No. _____ / DP ID _____ / Client ID _____

No.: _____

Full Name of Member & Address: _____

I/We hereby record my/our presence at the 29th Annual General Meeting of the Company held on Wednesday, September 21, 2016 at 11.00 A.M. at F/1, MIDC Area, Lote Parshuram, Taluka Khed, Dist Ratnagiri (Maharashtra) - 415722

Signature of the Member (s) or Proxy present

Please complete and sign this attendance slip and handover at the entrance of the meeting hall. Only member(s) or his/her/their proxy with this attendance slip will be allowed entry to the meeting. Duplicate slips will not be issued at the entrance.

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OXIDES AND SPECIALITIES LIMITED

CIN: L24119MH1987PLC042468

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

Form No. MGT-11
PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) :	
RegisteredAddress :	
E-mail ID :	
Folio No./ Client ID :	
DPID:	

I/We, being the member (s) of _____ shares of the above named company, hereby appoint

1.Name: _____

Address: _____

E-mail Id: _____

Signature: _____, or failing him

2.Name: _____

Address: _____

E-mail Id: _____

Signature: _____, or failing him

3.Name: _____

Address: _____

E-mail Id: _____

Signature: _____,

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29th Annual general meeting of the company, to be held on Wednesday, September 21, 2016 at 11:00 A.M. at F/1, MIDC Area, Lote Parshuram, Taluka Khed, Dist Ratnagiri (Maharashtra) - 415722 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.:

1.To receive, consider and adopt the Balance Sheet as at March 31, 2016 and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.

2.To re-appoint Mrs. Sangeeta Rathi (DIN 01345515), who retires by rotation at this meeting and being eligible offers himself for re-appointment

3.To ratify appointment of Statutory Auditor and fix their remuneration.

Signed this _____ day of _____ 2016

Signature of shareholder _____

Signature of Proxy holder(s) _____

Affix
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

OXIDES AND SPECIALITIES LIMITED

OXIDES AND SPECIALITIES LIMITED

CIN: L24119MH1987PLC042468

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

Tel.: Navi Mumbai Office: 022 2778 2210, 2778 2228 **Telefax:** 022 2778 0998

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

Form No. MGT-11

Polling Paper

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

Twenty Ninth Annual General Meeting of the Company will be held at F/1, MIDC Area, Lote Parshuram, Taluka Khed, Dist Ratnagiri (Maharashtra) - 415 722 on **Wednesday, September 21, 2016 at 11:00 a.m.**

Sr. No.	Particulars	Details
1.	Name of the First Named Shareholder (In block letters)	
2.	Postal address	
3.	Registered folio No. / *Client ID No. (*Applicable to investors holding shares in dematerialized form)	
4.	Class of Share & Number of Share	

I/We hereby exercise my/our vote in respect of Ordinary/ Special resolution to be passed through ballot:

No.	Description of Resolution	I/We assent to the resolution	I/We dissent from the resolution
		Please Tick mark	
1.	To receive, consider and adopt the Audited Balance Sheet as at March 31, 2016 and the Profit and 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 himself for re-appointment.		
3.	To ratify appointment of Statutory Auditor and fix their remuneration.		

Place:

Date:

Signature of the shareholder:_____

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

Phone: 022 27782210

Email: investor@oxides.in

Website: www.oxides.in

CIN: L24119MH1987PLC042468