

MUSKAN FERRO SILICONS LTD.

16th Annual Report



For the Year Ended
31st March 2002

BOARD OF DIRECTORS

Shri Babulal Badjatia

Shri Sunil Badjatia - Managing Director

Shri Dr. S. Mookerjee

Shri Babulal Verma

AUDITORS

C. P. Rawka & Co.

Chartered Accountants

403, Arcade Silver,

65/1, New Palasia, Indore

REGISTERED OFFICE

Plot No. 69, Sector - 3,

Industrial Area,

PITHAMPUR, Dist. Dhar (M.P.)

MUSKAN FERRO SILICONS LIMITED**NOTICE**

Notice is hereby given that the 16th Annual General Meeting of the members of the Company will be held on Friday the 30th August 2002 at 11.00 AM at the Registered office of the company at Plot No. 69, Sector-3, Industrial Area, Pithampur, Dist. Dhar (M.P.) to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet and Profit and Loss account of the Company for the year ended 31st March 2002 together with Directors and Auditors reports thereon.
2. To appoint a Director in place of Shri Babulal Badjatia who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS :

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

Resolved that pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956 the Articles of Association of the Company be altered in the following manner.

The following new Articles with marginal notes as indicated be inserted as Article 89 A after the existing Article 89.

DEMATERIALIZATION OF SECURITIES DEFINITIONS

Beneficial Owner : 'Beneficial Owner' means the beneficial owner as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996.

Bye-Laws : 'Bye-laws' means bye-laws made by a Depositories Act, 1996 and any statutory modification or re-enactment thereof for the time being in force :

Depository : 'Depository' means a company formed and registered under the Companies Act, 1956 (1 of 1956) '(the Act)' and which has been granted a certificate of registration under sub section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992 (15 of 1992).

Record : 'Record' includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the regulations made by SEBI.

Regulations : 'Regulation' means the regulations made by SEBI.

SEBI : 'SEBI' means the Securities and Exchange Board of India.

Security : 'Security' means such security as may be specified by SEBI from time to time

Shareholder or member : 'Share holder or member' means the duly registered holder, from time to time of the shares of the Company and includes the subscribers to the Memorandum of Association of the Company and also every person holding Equity Shares and /or Preference Shares of a Company as

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also one whose name is entered as a beneficial owner of the shares in the records of the Depository.

DEMATERIALIZATION OF SECURITIES

Not with standing anything contained in these Articles, the Company shall be entitled to dematerialise or dematerialize its shares, debentures and other securities (both existing and future) held by it with the Depository and to offer its shares, debentures and other securities for subscription in a dematerialized form pursuant to the Depositories Act, 1996 and the Rules framed thereunder, if any.

OF BENEFICIAL OWNERS

Deemed to be the Register and index of Members and Security holder as the case may be for the purposes of these Articles.

INTIMATION TO DEPOSITORY

Not with standing anything contained in the Act or these Articles, where securities are dealt with in a Depository, the Company shall intimate the details of allotment of securities thereof to the depository immediately on allotment of such securities.

STAMP DUTY ON SECURITIES HELD IN DEMATERIALISED FORM

No stamp duty would be payable on shares and securities held in dematerialised form in any medium as may be permitted by law including any form of electronic medium.

APPLICABILITY OF THE DEPOSITORIES ACT.

In case of transfer of shares, debentures and other marketable securities, where the company has not issued any certificate and where such shares, debentures or securities are held in an electronic and tangible form in a Depository, the provisions of the Depositories Act, 1996 shall apply.

COMPANY TO RECOGNISE THE RIGHT OF REGISTERED HOLDERS AS ALSO THE BENEFICIAL OWNERS IN THE RECORDS OF THE DEPOSITORY.

Save as herein otherwise provided, the company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share, as also the Beneficial Owner of the Shares in records of the Depository as the absolute Owner thereof as regards receipt of dividends or bonus or service of notices and all or any other matters connected with the company, and accordingly the Company shall not, except as ordered by a Court of competent jurisdiction or as by law required be bound to recognise any benami trust or equity or equitable contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof.

REGISTER AND INDEX OF MEMBERS

The company shall cause to be kept at its Registered Office or at such other place as may be decided by the Board of Directors, the Register and index of Members in accordance with Sections 150 and other applicable provisions of the Companies Act 1956 and the Depositories Act 1996 with the details of shares held in physical and dematerialised form in any media as may be permitted by law including in any form of electronic media.

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The Register and Index of Beneficial Owner maintained by a Depository under Section 11 of the Depositories Act 1996 shall also be deemed to be the Register and Index of Members for the purpose of the Companies Act, 1956 and any amendment or re-enactment thereof.

NOMINATION :

1. Every Shareholder or debentureholder of the company may at any time nominate, in the prescribed manner, a person to whom, his shares in, or debentures of the company shall vest in the event of his death.
2. Where the share in, or debentures of the company are held by more than one person jointly the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares or debentures of the company as the case may be, shall vest in the event of death of all the joint holders.
3. Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such shares in or debentures of the company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in or debentures of the Company, the nominee shall, on the death of the shareholder or debentureholder or, as the case may be, on the death of the joint holders, become entitled to all the rights in such shares or debentures or, as the case may be all the joint holders, in relation to such shares or debentures, to the exclusion of all other person, unless the nomination is varied, cancelled in the prescribed manner.
4. Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures, to make the nomination to appoint, in the prescribed manner, any person to become entitled to shares in or debentures of the company, in the event of his death, during the minority.

TRANSMISSION OF SECURITIES BY NOMINEE

A nominee, upon production of such evidence as may be required by the Board and subject as hereafter provided elect, either.

- i) to be registered himself as holder of the share or debenture, as the case may be; or
- ii) to make such transfer of the share or debenture, as the case may be, as the deceased shareholder or debenture holder, could have made;
- iii) if the nominee elects to be registered as holder of the share or debenture himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debenture holder as the case may be.
- iv) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the share or debenture except that he shall not, before being registered as a member in respect of his share or debenture, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided further that the Board may, at any time, give notice requiring any such person to elect either

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to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with.

By order of the Board of Directors
For - Muskan Ferro Silicons Limited.

Sunil Badjatia
Managing Director

Place : Indore

Date : 10.07.2002

Notes :

- * A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member.
- * The Register of members and the share transfer books of the company will remain closed from 28.8.2002 to 30.08.2002 (both days inclusive)
- * The relevant explanatory statement pursuant to Section 173 (2) of the Companies Act 1956 in respect of Special Business as annexed hereto and forms part of this notice.
- * Members/Proxies should bring the attendance slip, duly filled in for attending the meeting.
- * Members/Proxies attending the meeting should bring their copy of the Annual Report for reference at the meeting.
- * Members are requested to notify the company immediately the change of address if any and also write to the company immediately about correction, if any, in name, address and pincode.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE ACT.
ITEM NO. 4

Consequent upon the enactment of the depositories Act, 1996 and the Securities and Exchange Board of India making compulsory dematerialized trading of the Company's Shares, the company has signed agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL) to enable shareholders who may wish to dematerialise their shareholding in the company. The depositories Act 1996 has amended some of the provisions of the Companies Act 1956. Pertaining to issue, holding, transfer, transmission and dealing in shares and other securities as also issue of relevant certificates thereof, so as to facilitate the introduction and implementation of the Depository system.

It has, therefore, become necessary to alter the Articles of Association of the company as proposed in the Resolution set out at item No.4 of the accompanying notice.

The Directors commend the resolution for approval of the members.

A copy of the memorandum and Articles of Association of the company together with the proposed alterations is available for inspection by the members of the company at its Registered office between 11.00 A.M. to 1.00 P.M. on any working day.