

MUSKAN FERRO SILICONS LIMITED

Annual Report - 2010-2011

BOARD OF DIRECTORS

Shri Ketanbhai D. Sorathiya
Shri Kamlesh Thothawala
Shri Jigarbhai R. Kshatri

AUDITORS

M/s. C. P. Rawka & Co.
Chartered Accountants
Indore

REGISTERED OFFICE

2, Ras Mandal,
Dhar,
Madhya Pradesh - 454 001.

SHARE TRANSFER AGENT

Purva Shareregistry (India) Pvt Ltd
No 9, Shiv Shakti
Industrial Estate, Gr flr,
J R Boricha Marg,
Mumbai - 400011.

NOTICE

Notice is hereby given that 25th Annual General Meeting of the company will be held on Friday, 30th September, 2011 at 11.30 A.M. at the registered office of the Company at 2, Ras Mandal Dhar, Madhya Pradesh - 454001 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2011 and the Profit and Loss Account for the year ended on that and the Reports of Directors and the Auditors.
2. To appoint a Director in place of Shri Ketanbhai Sorathiya who retires by rotation and being eligible, offers himself for re-appointment.
3. To reappoint M/s. C.P. Rawka & Co., Chartered Accountants, Indore, Auditors of the company to hold office from the conclusion of this meeting until the conclusion of next annual General Meeting of the Company and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

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

“RESOLVED THAT Mr. Kamlesh Thothawala who was appointed as an additional director of the Company by the Board of Director with effect from 11.01.2011 and holds office up to the date of this Annual General Meeting under Section 260 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company whose period of office will be liable to retire by rotation.”

5. To consider and if thought fit, to pass with or without modification, the following resolution as ORDINARY RESOLUTION:

“RESOLVED THAT Mr. Ketanbhai Sorathiya who was appointed as an additional director of the Company by the Board of Director with effect from 11.01.2011 and holds office up to the date of this Annual General Meeting under Section 260 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company whose period of office will be liable to retire by rotation.”

6. To consider and if thought fit, to pass with or without modification, the following resolution as ORDINARY RESOLUTION:

“RESOLVED THAT Mr. Jigar Kshatri who was appointed as an additional director of the Company by the Board of Director with effect from 11.01.2011 and holds office up to the date of this Annual General Meeting under Section 260 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company whose period of office will be liable to retire by rotation.”

For and on behalf of Board of Directors

Sd/-

Place: Dhar (M.P.)
Date: 01st September, 2011

Shri Ketan Sorathiya
Chairman

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and on a poll, to vote instead of himself. A proxy need not be member of the company. A proxy may be sent in the Form enclosed and in order to be effective must reach the Registered Office of the company at least 48 hours before the commencement of the meeting.
2. Members/ proxies should bring attendance slip, duly filled in, for attending the meeting.
3. Members / proxies attending the meeting should bring their copy of the Annual Report for reference at the meeting. As Copies of Annual Report will not be distributed at the Annual General Meeting.
4. The Register of Members and Share Transfer Books of the Company was closed from Tuesday, 27th September, 2011 to Friday, 30th September, 2011 (both days inclusive).
5. Members desirous of obtaining any information concerning the accounts and operations of the company are requested to address their questions to the company so as to reach at least 8 days before the date of the meeting, so that the information required will be made available at the meeting, to the best extent possible.

Annexure to the Notice**EXPLANATORY STATEMENT****[Pursuant to the Provisions of Section 173 (2) of the Companies Act, 1956]****ITEM NO. 4 OF THE NOTICE:**

Mr. Kamlesh Thothawala was appointed as additional director of the Company with effect from 11.01.2011 holds office up to the date of forthcoming Annual General Meeting. He is well qualified person so it is in the interest of the Company to appoint him as a director of the Company. The board recommends for his appointment.

The Directors recommend the aforesaid resolution for adoption by the members.

None of the Directors are in any way concerned or interested except Mr. Kamlesh Thothawal in the aforesaid resolution.

ITEM NO. 5 OF THE NOTICE:

Mr. Ketanbhai Sorathiya was appointed as additional director of the Company with effect from 11.01.2011 holds office up to the date of forthcoming Annual General Meeting. He is well qualified person so it is in the interest of the Company to appoint him as a director of the Company. The board recommends for his appointment.

The Directors recommend the aforesaid resolution for adoption by the members.

None of the Directors are in any way concerned or interested except Mr. Ketanbhai Sorathiya in the aforesaid resolution.

ITEM NO. 6 OF THE NOTICE:

Mr. Jigarbhai Kshatri was appointed as additional director of the Company with effect from 11.01.2011 holds office up to the date of forthcoming Annual General Meeting. He is well qualified person so it is in the interest of the Company to appoint him as a director of the Company. The board recommends for his appointment.

The Directors recommend the aforesaid resolution for adoption by the members.

None of the Directors are in any way concerned or interested except Mr. Jigarbhai Kshatri in the aforesaid resolution.

For and on behalf of Board of Directors**Sd/-****Place: Dhar (M.P.)
Date: 01st September, 2011****Shri Ketan Sorathiya
Chairman**

DIRECTOR'S REPORT

**To
The Members,
MUSKAN FERRO SILICONS LIMITED**

Your Directors have pleasure in presenting the Annual Report of the Company on operations and performance during the year together with the Audited Accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS:

(In Rs.)

PARTICULARS	2010-2011	2009-2010
Sales & other Income	0	0
Profit/(Loss) Before Tax	(16,400)	(62,375)
Less: Provision for Tax	0	0
Profit/(Loss) for the year after Taxation	(16,400)	(62,375)
Profit/(Loss) carried from last year	(3,82,27,889)	(3,81,65,514)
Balance Brought Forward	(38,244,289)	(38,227,889)

OPERATIONS:

During the year under review, your Company has incurred net loss of Rs. 16,400/- compared to loss of Rs.62,375/- of previous year. Your Directors strive hard and expect that your Company will achieve significant growth in the coming years.

DIVIDEND:

In order to loss incurred, the Board of Directors has thought it prudent not to recommend payment of dividend for the year under review.

PARTICULARS OF EMPLOYEES:

There is no employee having remuneration in accordance with the provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employee) Rules, 1975 as amended.

DIRECTOR:

In accordance with the Companies Act, 1956 and Article of Association of the Company, Shri Ketan Sorathiya, directors of the Company, retire by rotation at the forthcoming Annual General Meeting and are eligible for reappointment.

Shri Ketan Sorathiya, Shri Kamlesh Thothawala, Shri Kshatri Jigar appointed as Additional director of the company w.e.f. 11.01.2011 during the year Shri Hemant Agrawal, Shri Sharad Jain has resigned from the post of their directorship w.e.f. 11.01.2011 and Shri Ramchandra Chaure, & Shri Sunil Nahata resigned from the post of their directorship w.e.f. 30.10.2010 and Managing Director Shri Sunil Badjatia resigned from the post of their Managing directorship w.e.f. 01.02.2011.

CODE OF CONDUCT:

The Company has adopted a Code of Conduct for Directors and Senior Management. It is the responsibility of all employees and Directors to familiarise themselves with the Code and comply with the same.

The Code includes provisions where the employees of the Company can voice their concerns on violation and potential violation of the Code in a responsible and effective manner.

RESPONSIBILITY STATEMENT:

As required u/s 217(2AA) of the companies Act 1956 your director confirms that in the preparation of the annual accounts:

- 1) The applicable accounting standards have been followed along with proper explanation relating to material departures.

- 2) Such accounting policies have been selected and applied consistently and reasonable and prudent judgments and estimates made, 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 the loss of the company for that period.
- 3) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with provisions of this act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- 4) The annual accounts have been prepared on a going concern basis.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE:

As required under rule 3 of the companies (Disclosure of Particulars in the report of board of directors) Rules 1988, the particulars relating to the conservation of energy, Technology absorption, and the foreign exchange earnings and outgo are also **Nil**.

LISTING AGREEMENT:

The securities of the company are listed with the Bombay Stock Exchange Limited (BSE), Mumbai and The Company has paid the annual listing fees for the year 2011-2012.

APPOINTMENT OF AUDITORS:

M/s. C. P. Rawaka & Co., Chartered Accountants, Indore reappointed as auditor of the company for the financial year 2011-2012 and holds office from the conclusion of this meeting until the conclusion of next annual General Meeting of the Company.

The Statutory Auditors of the Company have submitted auditor's report on the accounts of the Company for the accounting year ended 31st March, 2011 which is self-explanatory and needs no comments.

ACKNOWLEDGEMENT:

The management is grateful to the Government Authorities, Bankers, Vendors, Employees, for their continued assistance and co-operation. The Directors also wish to place on record the confidence of members in the Company.

For and on behalf of Board of Directors
Sd/-

Place: Dhar (M.P)
Date: 01st September, 2011

Shri Ketan Sorathiya
Chairman

REPORT ON CORPORATE GOVERNANCE:

(Pursuant to Clause 49 of the Listing Agreement)

Your company in tune with the requirements of the provisions of Corporate Governance has taken all measures considered necessary for ensuring its compliance.

A detailed Corporate Governance Compliance Report as on 31/03/2011 is given below:

COMPANY'S POLICY:

The company's policy on Corporate Governance envisages the assignment of high level of transparency and accountability in the functioning of the company and the conduct of its business internally and externally, including its interaction with employees, shareholders, creditors, clients, bankers and other business places with due emphasis on regulatory compliance.

The company firmly believes that its system and actions must be devoted for enhancing corporate performance and maximizing shareholder value in the long run.

BOARD OF DIRECTORS:

The Board of Directors met 8 (Eight) times during the year on 10.05.2010, 31.07.2010, 20.08.2010, 30.10.2010, 13.11.2010, 11.01.2011, 01.02.2011 12.02.2011.

The attendances of the Directors of the company at the Board Meeting are as follows:

Name of Current Director's	Status	No. of Board Meetings attended during the year	Whether attended last AGM
Shri Ketanbhai Sorathiya ##	Chairman	5	N.A.
Shri Jigar Rashmikan Kshatri ##	Independent Director	5	N.A.
Shri Kamlesh Thothawala ##	Independent Director	5	N.A.
Shri Sunil Badjatia *	Independent Director	6	Yes
Shri Hemant Agrawal #	Independent Director	5	Yes
Shri Sharad Jain #	Independent Director	5	Yes
Shri Ramchandra Chaure **	Independent Director	3	Yes
Shri Sunil Nahata **	Independent Director	3	Yes

* Resigned w.e.f. 01.02.2011

** Resigned w.e.f. 30.10.2010

Resigned w.e.f. 11.01.2011

Appointed w.e.f. 11.01.2011

AUDIT COMMITTEE:**Terms of Reference**

- To review the adequacy of internal control systems and internal Audit Reports and their compliance thereof.
- To oversee the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- To recommend the appointment of auditors and fixation of audit fees.
- To review the financial statements before submission to the Board.

COMPOSITION OF AUDIT COMMITTEE:

The Constitution of Audit committee meets the requirement of section 292A of Companies Act, 1956 and clause 49 of Listing Agreement.

The Committee met 4 (Four) times during the year on 10.05.2010, 31.07.2010, 13.11.2010 and 12.02.2011. The attendance of members of the committee was as follow:

Name of Current Director's	Status	No. of Meetings attended during the year	Whether attended last AGM
Shri Ketanbhai Sorathiya ##	Chairman	1	No
Shri Jigar Rashmikan Kshatri ##	Member	1	No
Shri Kamlesh Thothawala ##	Member	1	No
Shri Sunil Badjatia *	Member	3	Yes
Shri Hemant Agrawal #	Member	3	Yes
Shri Sharad Jain #	Member	3	Yes
Shri Ramchandra Chaure **	Member	3	Yes
Shri Sunil Nahata **	Member	3	Yes

* Resigned w.e.f. 01.02.2011

** Resigned w.e.f. 30.10.2010

Resigned w.e.f. 11.01.2011

Appointed w.e.f. 11.01.2011

SHAREHOLDERS/INVESTORS' GRIEVANCE COMMITTEE:

As a measure of Good Corporate Governance and to focus on the shareholders' grievances and towards strengthening investor relations, an investors' Grievance Committee has been constituted as a committee of the Board, to redress / minimize the grievance of shareholders/ Investors

The functions of the committee include:

To specifically look into redressing investors' grievances pertaining to:

- Transfer of shares
- Dividends
- Dematerialization of shares
- Replacement of lost/stolen/mutilated share certificates
- Any other related issues