

VIBROS ORGANICS LIMITED

Regd. Office: C-34, Site – C, Surajpur Industrial Area, Greater Noida – 203206 (U.P.)

NOTICE

Notice is hereby given that the 23rd Annual General Meeting of the members of VIBROS ORGANICS LIMITED will be held on Thursday, 30th September, 2010, at 11.00 A.M. at the Registered Office of the Company at A – 46, UPSIDC Industrial Area, Sikandrabad, Distt. Bulandshahar (U.P.) to transact the following business:

ORDINARY RESOLUTION

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2010 and the Profit and Loss Account of the Company for the year ended on that date and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Narender Kumar Sood who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Anil Sood who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting of the Company on a remuneration to be fixed by the Board of Directors of the Company. M/s S.K. MEHTA & Co., Chartered Accountants, the retiring auditors being eligible offer themselves for re-appointment.


Special Business:

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Mr. Vivek Jha, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 80 of the Articles of Association of the Company, and who holds office upto the ensuing Annual General Meeting of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

For and on behalf of the Board

For VIBROS ORGANICS LIMITED



(NAVEEN KOHLI)

CHAIRMAN & MANAGING DIRECTOR

Place: Greater Noida

Dated: 2nd September, 2010

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and to vote instead of himself and a proxy need not be a member. A blank proxy form is enclosed. The proxies in order to be effective must be received in the Registered Office of the Company not less than 48 hours before the time for holding the meeting.
2. Members desiring any information about the Accounts and Operation of the Company are requested to address their query to the company at the Registered Office at least 7 days before the date of annual general meeting so as to enable the management to keep the information ready.
3. The Register of members and the Share Transfer Book of the Company will remain closed from Monday, 27th September, 2010 to Thursday, 30th September, 2010 (both days inclusive).

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

The following explanatory statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice.

Item Nos. 5

In the Board Meeting held on October 1, 2009, Mr. Vivek Jha was appointed as an independent director pursuant to the provisions of Section 260 of the Companies Act, 1956 (the Act) and Article 80 of the Articles of Association of the Company.

In terms of the provisions of Section 260 of the Act, Mr. Vivek Jha holds the office of director upto the date of the ensuing Annual General Meeting.

The Company has received notice in writing from a member, alongwith deposit of Rs.500/-, proposing the candidature of Mr. Vivek Jha to the office of Director of the Company under the provisions of Section 257 of the Act.

Mr. Vivek Jha is not disqualified from being appointed as Director in terms of Section 274(1) (g) of the Act. The Company has received the requisite Form 'DD-A' from the above said director in terms of the Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) Rules, 2003, confirming his eligibility for such appointment.

Mr. Vivek Jha has also complied with the requirements of obtaining the Director Identification Number in terms of Section 266A of the Act.

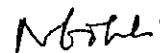
Mr. Vivek Jha, aged 40, is Graduate having an experience of 10 years in the field of office administration. Keeping in view his enriched expertise and knowledge, it will be in the interest of the Company that Mr. Vivek Jha is appointed as a Director, who, if appointed, shall be liable to retire by rotation in accordance with the provisions of the Articles of Association of the Company.

A brief resume of Mr. Vivek Jha, nature of his expertise in specific functional areas and the number of companies in which he holds directorships and memberships / chairmanships of Board Committees, as stipulated under Clause 49 of Listing Agreement with the Stock Exchanges in India, are provided in Report on Corporate Governance forming part of the Annual Report.

Mr. Vivek Jha may be deemed to be interested in this resolution. No other Director is, in any way, concerned or interested in this resolution.

For and on behalf of the Board

For VIBROS ORGANICS LIMITED



(NAVEEN KOHLI)

CHAIRMAN & MANAGING DIRECTOR

Place: Greater Noida

Dated: 2nd September, 2010

VIBROS ORGANICS LIMITED

Regd. Office: C-34, Site – C, Surajpur Industrial Area, Greater Noida – 203206 (U.P.)

DIRECTORS' REPORT

The Members

Yours Directors have pleasure in presenting the 23th Annual Report together with the Audited Statement of Accounts for the year ended March 31, 2010.

A. FINANCIAL RESULTS AND OPERATIONS

In view of there being no production/sale during the last several years and there also being no probability of the same in the near future, it was considered prudent to sell off few assets and pay off the outstanding liabilities. Accordingly, an agreement was executed to sell the land and building situated at A -46, UPSIDC Industrial Area, Sikandrabad, Bulandshahar, U.P. The advance/ part payment received in this regard has been utilized in payment of dues of the financial institutions and banks as per the OTS arrived at with them.

During the year, as per the OTS with the banks and financial institutions, an amount of Rs. 39,17,208/- towards outstanding interest dues was written off and total expenditures of Rs. 33,300/- was incurred. Deferred revenue expenditure amounting to Rs. 12,22,758/- was also written off.

B. DIRECTORS

Shri Anil Sood and Shri Narender Kumar Sood are liable to retire by rotation and are eligible for re- appointment.

D. AUDITORS

M/s S. K .Mehta & Co., Chartered Accountants, Auditors of the Company retire at the conclusion of ensuing Annual General Meeting and being eligible offer themselves for re- appointment. The Company has received certificate from them to the effect that their re- appointment, if made , would be in conformity with the Section 224(IB) of the Companies Act, 1956.

E. DIVIDEND

Since the Company was not operational during the year under review, your Directors express their inability to recommend any dividend.

F. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures from the same;
- (ii) the Directors have 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 as at March 31, 2010 and of the profit of the Company for the year ended on that date;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the Directors have prepared the annual accounts of the Company on a 'going concern' basis.

G. STATUTORY STATEMENTS

(i) Particulars of Employees

There is no employee under the category whose particulars are required to be given under section 217(2A), as amended of the Companies Act, 1956.

(ii) Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Since the Company was not operational during the year, the information regarding conservation of energy, technology absorption and R & D as required to be disclosed is not given.

(iii) Foreign Exchange Earning and Outgo

During the year under review, the company has neither earned any foreign exchange nor incurred and foreign exchange expenditure.

H. DEPOSITS

During the year the Company has not accepted any deposits from public under Section 58-A of the Companies Act, 1956.

I. MANAGEMENT DISCUSSION AND ANALYSIS

Operations of the Company:

As there was no production/sale during the last several years, an agreement was executed to sell the land and building situated at A -46, UPSIDC Industrial Area, Sikandrabad, Bulandshahar, U.P. The advance/ part payment received in this regard has been utilized in payment of dues of the financial institutions and banks as per the OTS arrived at with them.

Future Outlook:

As the company has decided to sell-off some of it's assets to pay the liabilities so that it can start a fresh with clean slate.

Opportunities and threats:

The only opportunity which the company have to start the business afresh with no old outstanding and may face stiff competition with present player in the industry.

Risk and concerns:

The business of the company was closed since long so there may be teething problem to start again and to streamline the same.

Internal control systems and their adequacy:

As already informed that the company is not in operation since long, the audit committee periodically reviews internal control system, which are designated to assure that the over head levels are reduced to the minimum.

Human resources/ industrial relations:

Industrial relations during the year under review were cordial and peaceful. The company is still in the process to recall the employees who have left their job due to closure and hope to resume the requisite staff for reopening the Unit in near future.

J. Report on Corporate Governance

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2010.

1. Company's Philosophy

The Company's philosophy on Code of Corporate Governance is based on the following principles:

- (1) The members of the Board are persons in whom the shareholders have reposed their confidence and trust. Persons appointed to the Board are conscious of their corporate and social responsibilities and maintain highest standards of integrity.
- (2) Highest standards of compliance, disclosure and transparency are maintained by the Company.

2. Board of Directors

Mr. Narender Kumar Sood who retires by rotation and being eligible, offers himself for re-appointment.

Mr. Anil Sood who retires by rotation and being eligible, offers himself for re-appointment.

Mr. Vivek Jha was appointed as an Additional Director of the Company on October 1, 2009 and he holds office till the forthcoming Annual General Meeting. Being eligible, he offers himself for re-appointment as Director of the Company.

Directors' Profile

Brief resume of all the Directors, nature of their expertise in specific functional areas and number of companies in which they hold directorships, memberships / chairmanships of Board Committees and their shareholding in the Company are as follows:

- (i) **Mr. Naveen Kohli**, aged 60, is a commerce graduate having more than 35 years of experience in their family business.
- (ii) **Mr. N. K. Sood**, aged 62, is a commerce graduate having more than 30 years of experience in the garments export business.
- (iii) **Mr. Anil Sood**, aged 51, is a qualified Chartered Accountant having an experience of more than 25 years in corporate and related economic legislations.
- (iv) **Mr. Vivek Jha**, aged 40, is graduate having an experience of 10 years in the field of office administration.

Details of designation of directors, attendance of Board Meetings / AGM and other directorship and chairmanships/memberships of Committees

S. No.	Name of Director	Category of Directorship	Attendance of Meetings during 2009-10		No. of Directorships and Committee Memberships/Chairmanships (including this Company)		
			Board Meetings	Last AGM	Directorships	Committee Memberships	Committee Chairmanships
1.	Mr. Naveen Kohli	Executive	7	Yes	2	1	1
2	Mr. N. K. Sood	Non Executive	7	Yes	3	3	-
3	Mr. Anil Sood	Non Executive	7	Yes	3	2	1
4.	Mr. Vivek Jha	Non Executive	1	No*	2	-	-

* Appointed after the last AGM.

3. Meetings of the Board / Committees

Board Meetings

During the year ended March 31, 2010, seven (7) meetings of the Board of Directors were held on April 24, 2009, July 28, 2009, August 18, 2009, October 1, 2009, October 26, 2009, January 27, 2010 and February 12, 2010.

Audit Committee

The Audit Committee is comprised of Mr. Anil Sood as Chairman and Mr. Naveen Kohli and Mr. N.K. Sood as Members.

The powers and role of the Audit Committee are in accordance with the provisions of Clause 49 of the Listing Agreement related to the Corporate Governance.

During the year ended March 31, 2010, five (5) meeting of the Audit Committee were held on April 24, 2009, July 28, 2009, August 18, 2009, October 26, 2009 and January 27, 2010.

Shareholders' Grievance Committee

The **Shareholders' Grievance Committee** is comprised of Mr. Naveen Kohli as Chairman and Mr. Anil Sood and Mr. N.K. Sood as Members.

During the year ended March 31, 2010, one (1) meeting of the Shareholders' Grievance Committee was held on May 30, 2009.

Remuneration Committee

The Remuneration Audit Committee is comprised of Mr. Anil Sood as Chairman and Mr. N.K. Sood as Member.

No meeting of the Remuneration Committee was held during the year ended March 31, 2010.

4. General Body Meetings

Location, date and time of the Annual General Meetings held during the preceding 3 years and the Special Resolutions passed thereat are as follows:

Year	Location	Date and Time	Special Resolutions Passed
2006-07	A-46, UPSIDC Industrial Area, Sikandrabad, Distt. Bulandshahar, Uttar Pradesh	September 29, 2007 at 11.00 A.M.	Nil
2007-08	A-46, UPSIDC Industrial Area, Sikandrabad, Distt. Bulandshahar, Uttar Pradesh	September 30, 2008 at 11.00 A.M.	Nil
2008-09	A-46, UPSIDC Industrial Area, Sikandrabad, Distt. Bulandshahar, Uttar Pradesh	September 30, 2009 at 11.00 A.M.	Nil

5. Disclosures on materially significant related party transactions

None of the transactions with any of the related parties were in conflict with the interest of the Company. Attention of Members is drawn to the disclosures of transactions with the related parties set out in Notes on Accounts – Rs 117.73 Lacs paid during the financial year 2009-10 towards unsecured loans.

6. Means of Communication

Annual Report

Annual Report containing, inter alia, Audited Annual Accounts, Directors' Report, Auditors' Report, and other important information is circulated to members and others entitled thereto. The Report on Management Discussion and Analysis (MD&A) forms part of the Annual Report.

7. General Shareholder Information

Company Registration Details

The Company is registered in the State of Uttar Pradesh, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L24112UP1987PLC021518

Annual General Meeting:

Day, Date, Time and Venue:

Thursday, September 30, 2010
C-34, Site – C, Surajpur Industrial Area,
Greater Noida – 203206 (U.P)

Book Closure Period:

Monday, 27th September, 2010
to Thursday, 30th September, 2010
(both days inclusive), for AGM

Listing on Stock Exchanges, Payment of Listing Fee, Stock Codes etc.

Stock Exchange	No. of Shares Listed	Trading ISIN
Bombay Stock Exchange Association Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001.	54,38,800	N.A.
Delhi Stock Exchange Association Limited (DSE) 3/1, Asaf Ali Road, New Delhi-110002.	54,38,800	
The U. P. Stock Exchange Association Limited Padam Towers, 14/113, Civil Lines, Kanpur- 208001	54,38,800	
Jaipur Stock Exchange Limited (JSE). Stock Exchange Building, Jawaharlal Nehru Marg, Malviya Nagar, Jaipur-302017.	54,38,800	

Stock Market Data

The shares of the Company have not been traded on any of the stock exchanges where the shares of the Company are listed due to suspension of trading in the shares.

Registrar and Transfer Agents:

The company is maintaining in house transfer and other data of shares.

Share Transfer System

Presently, the share transfers which are received in physical form are processed and the share certificates returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects. The Board has delegated the authority for approving transfer, transmission etc. of the Company's securities to the Shareholders' Grievance Committee.

For and on behalf of the Board

For VIBROS ORGANICS LIMITED



(NAVEEN KOHLI)

CHAIRMAN & MANAGING DIRECTOR

Place: Greater Noida

Dated: 2nd September, 2010

Auditor's Report

To the members of **M/S Vibros Organics Limited**

We have audited the attached Balance Sheet of **M/s Vibros Organics Limited** as at 31st March, 2010, the Profit and Loss Account and Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We have conducted our audit in accordance with audit standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.

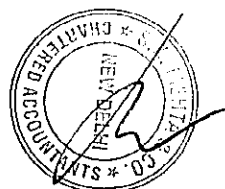
2. Further to our comments in the Annexure referred to above, we report that:

(a) The company has not charged depreciation amounting to Rs.2.52 Lacs for the year on the Fixed Assets. (Refer Note No.13)

(b) The Company has civil work in progress of Rs.163.40 lacs pending since financial year 1995-96 at cost. In absence of Technical evaluation of such plant & machinery & constructed structure we are unable to comment whether such Plant & Machinery & structure is impaired or not. (Refer Note No.4)

(c) Secured loans are not confirmed / reconciled.

(d) During the year loan payable to a Bank i.e. State Bank of Bikaner & Jaipur Rs.53.57 Lacs appearing in the books of account has been written back, for which formal settlement approval is not received from the Bank (Refer Note No. 12)



3.

- (i) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (ii) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 except AS-28 Impairment of Assets, AS-6 Depreciation on Fixed Assets.
- (v) We are informed that none of the directors is disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- (vi) **Going concern: Company could not resume its production activity during the year (refer note 4).**

Company is a sick company within the meaning of section 3 (1) (O) of the Sick Industrial Companies Act, 1985 and in view of suspension of manufacturing operations of the company, and disposal of plant & machinery; we are unable to express our opinion on its resuming of production activities in near future.

- (vii) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with Significant Accounting Policies and Notes to accounts thereon, subject to para 2(a) to 2 (d), 3(iv) & 3(vi), consequently the Profit for the current year of the company has been overstated to the extent of Rs.2.52 lacs and to the extent amount not ascertainable on account of impairment of fixed assets, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :-



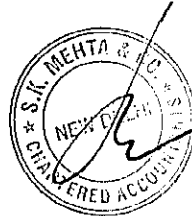
- (1) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2010 and
- (2) In the case of the Profit and Loss Account of the Profit for the year ended on that date.
- (3) In the case of Cash Flow Statement, of the Cash Flow of the Company for the year ended on that date.

For S.K.MEHTA & CO.
Chartered Accountants
(Firm Reg. No.00478 N)

Place: New Delhi
Dated:2/09/2010

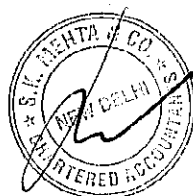


(JYOTI BAGGA)
Partner
M.No.87002



ANNEXURE TO THE AUDITORS REPORT OF **M/s VIBROS ORGANICS LIMITED.**
(Referred to in Paragraph III of our report of even date)


1.
 - (a) The Company has maintained records of fixed assets however the same need to be updated & reconciled.
 - (b) The fixed assets are physically verified by the management during the year.
 - (c) Company has not disposed off its substantial amount of Fixed Assets, however during the year Company has intended to sell its Land and Building of plant at Sikandrabad and received advance from the prospective buyer.
2.
 - (a) As explained to us the Inventory has been physically verified by the management at the year end.
 - (b) In the absence of updated records, it is not possible to ascertain and comment on discrepancy between book records and physical inventory and adjustments to be carried out consequently to such verification and ascertainment of amount thereof. However company has written off its inventory during the year due to the reason that the same had lost its intrinsic value and had no realizable value.
3. The Company has taken unsecured loans from the six Companies and other parties covered in the register maintained under section 301 of the Companies Act 1956 of Rs.218.85 Lacs and the terms and condition are not prejudicial to the interest of the company. During the year company has also given interest free loans to two companies of Rs.113 Lacs covered in the register maintained under section 301 of the Companies Act 1956
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to sale of fixed assets. In our opinion there is no continuing failure to correct major weakness in internal control. However there is no sale and purchase of material and no purchase of fixed assets during the year.
5. According to the information & explanation given to us, there is no transaction during the year that need to be entered in the register maintained under section 301 of the Companies Act, 1956 for Rs.5,00,000/- or more in respect of each such party.
6. In our opinion and according to the information and explanation given to us the Company has not accepted any deposit from public within the provision of section 58A and 58AA of companies Act 1956 and companies (Acceptance) rules 1975.
7. During the year there is no business activity. As per information given to us there are proper internal control systems commensurate with its size and negligible business transaction. However there is no internal audit.
8. The Central Government has not prescribed for the maintenance of cost records under clause (d) of sub section (I) of section 209 of Companies Act 1956.

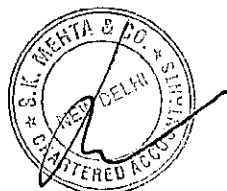


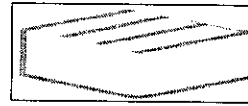
9. (a) According to the information and explanations given to us, there are undisputed statutory dues payable in respect of ESI Rs.1.48 lacs and sales tax Rs.1.00 lac outstanding as at 31-03-2010 for a period of more than six month from the date they became payable. We are informed that there is no other statutory liability payable for the year under audit.
- (b) As per information given to us there are no disputed statutory dues.
10. The company has accumulated losses of Rs.693.71 Lacs as on 31.3.2010.
11. According to the information and explanation given to us, the company has defaulted in repayment of dues to a bank of Rs.0.70 lac as on 31.3.2010 outstanding as per books of accounts of the company.
12. Based on the documents and records of the company produced before us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities
13. The company does not carry on the business of a chit fund.
14. The company is not dealing or trading in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the company has not obtained any term loan during the year.
16. According to the information and explanations given to us, company has not raised any fresh loans from Banks & Financial Institutions during the year.
17. According to the information and explanations given to us, the company has not made preferential allotment of shares to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
18. Since no debentures have been issued during the year, question of creating securities does not arise.
19. According to the records, the company has not raised any money by public issue during the year.
20. According to the information and explanations given to us, any fraud on or by the company has not been noticed or reported during the year

Place: New Delhi
Dated: 2/09/2010

For S.K.MEHTA & CO.
Chartered Accountants


(JYOTI BAGGA)
(Partner)
M.No. 87002





BALANCE SHEET AS AT 31ST MARCH 2010

(FIGURES IN RUPEES)

DESCRIPTION	SCHEDULE	AS AT 31.03.2010	AS AT 31.03.2009
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	54,121,995.00	54,121,995.00
Loan Funds			
(a) Secured Loans	2	69,755.00	24,145,423.12
(b) Unsecured Loans	3	10,671,578.49	22,421,429.49
TOTAL :		64,863,328.49	100,688,847.61
APPLICATIONS OF FUNDS			
Fixed Assets			
(a) Gross Block	4	11,692,896.00	11,692,896.00
(b) Less : Depreciation		2,684,529.00	2,684,529.00
(c) Net Block		9,008,367.00	9,008,367.00
(d) Capital Work In Progress		16,340,375.57	16,340,375.57
Current Assets , Loans & Advances	5	6,426,874.07	2,927,295.07
Less : Current Liabilities & Provisions	6	36,283,162.10	639,472.10
Net Current Assets		(29,856,288.03)	2,287,822.97
MISCELLANEOUS EXPENDITURE	7	-	1,020,258.00
PROFIT & LOSS ACCOUNT		69,370,873.95	72,032,024.07
TOTAL FUNDS UTILISED :		64,863,328.49	100,688,847.61
NOTES ON ACCOUNTS & ACCOUNTING POLICIES	11	-	-

N. Kohli
NAVEEN KOHLI
(DIRECTOR)

Anil Sood
ANIL SOOD
(DIRECTOR)

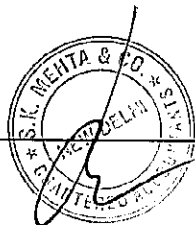
AUDITORS REPORT

In term of our report of even date annexed
For S.K. MEHTA & CO.
Chartered Accountants

(J. Bagga)
(J. Bagga)

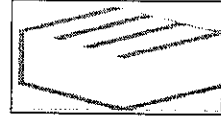
Partner

M. No.: 87002



Place : New Delhi.

Date : 02/09/2010



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH 2010

(FIGURES IN RUPEES)

DESCRIPTION	SCHEDULE	FOR THE YEAR 2009-10	FOR THE YEAR 2008-09
INCOME			
Indirect Income	8	3,917,208.12	-
Total		<u>3,917,208.12</u>	<u>-</u>
EXPENDITURE			
Administration and Selling	9	33,300.00	109,663.00
Accounts Written-off	10	1,222,758.00	-
Total		<u>1,256,058.00</u>	<u>109,663.00</u>
Profit (Loss) Before Depreciation & Taxation		2,661,150.12	(109,663.00)
Depreciation		-	-
Taxation		-	-
Profit (Loss) After Depreciation & Taxation		<u>2,661,150.12</u>	<u>(109,663.00)</u>
Balance brought forward from last year		(72,032,024.07)	(71,922,361.07)
Profit / (Loss) Available for Appropriation		<u>(69,370,873.95)</u>	<u>(72,032,024.07)</u>
APPROPRIATIONS			
Balance carried to Balance Sheet		(69,370,873.95)	(72,032,024.07)
Total		<u>(69,370,873.95)</u>	<u>(72,032,024.07)</u>

N Kohli
NAVEEN KOHLI
(DIRECTOR)

Anil Sood
ANIL SOOD
(DIRECTOR)

AUDITORS REPORT

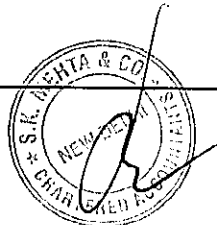
In term of our report of even date annexed
For S.K. MEHTA & CO.
Chartered Accountants

(J. Bagga)
(J. Bagga)

Partner

M. No.: 87002

Place : New Delhi.
Date : 02/09/2010





SCHEDULE FORMING PART OF THE BALANCE SHEET

(FIGURES IN RUPEES)

DESCRIPTION	AS AT 31.03.2010	AS AT 31.03.2009
SCHEDULE-1 : SHARE CAPITAL		
AUTHORISED CAPITAL		
60,00,000 (PREVIOUS YEAR 60,00,000) EQUITY SHARES OF RS. 10/- EACH)	60,000,000.00	60,000,000.00
ISSUED, SUBSCRIBED AND PAID-UP		
54,38,800 (Previous year 54,38,800 Equity Shares) Equity share of Rs. 10/- each fully called up	54,388,000.00	54,388,000.00
Less :- Calls in Arrear	266,005.00	266,005.00
TOTAL	54,121,995.00	54,121,995.00

SCHEDULE - 2 - SECURED LOAN

(FIGURES IN RUPEES)

DESCRIPTION	AS AT 31.03.2010	AS AT 31.03.2009
SECURED LOANS		
i.) Term Loan from The Pradeshiya Industrial and Investment Corp. of U.P.Ltd. (PICUP) *	69,755.00	2,444,125.74
ii) Interest accrued & due on Term Loan	-	8,744,358.38
iii) Working Capital Facilities from Bank ** (Including intt. Accrued & due)	-	12,956,939.00
TOTAL	69,755.00	24,145,423.12

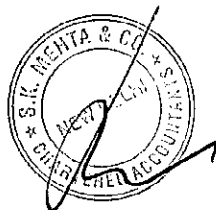
* Secured against equitable mortgage of entire Fixed Assets of the company whether acquired or to be acquired including movable machinery, spares, tools & accessories, personal irrevocable guarantee of the Chairman cum Managing Director and second floating charge on all others assets of the company.

** Secured against hypothecation of entire stocks, book debts of the company, personal guarantee of Chairman cum Managing Director and second charge on entire fixed assets of the company.

SCHEDULE - 3 - UNSECURED LOAN

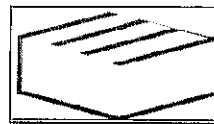
(FIGURES IN RUPEES)

DESCRIPTION	AS AT 31.03.2010	AS AT 31.03.2009
UNSECURED LOANS:		
From Others	10,671,578.49	22,421,429.49
TOTAL	10,671,578.49	22,421,429.49



PARTICULARS	GROSS BLOCK(AT COST)		DEPRECIATION		NET BLOCK					
	AS ON	ADDITIONS	TRANSFER / SALE	TOTAL	UPTO 31-03-2009	FOR THE YEAR	ADJUSTED/ SALE/TFR	TOTAL	AS ON 31-03-2010	AS AT 31-03-2009
	01-04-2009									
Land (Lease Hold)	1,043,322.00	-	-	1,043,322.00	-	-	-	-	1,043,322.00	1,043,322.00
Building	9,549,100.00	-	-	9,549,100.00	1,964,036.00	-	-	1,964,036.00	7,585,064.00	7,585,064.00
Office Equipment	71,242.00	-	-	71,242.00	37,479.00	-	-	37,479.00	33,763.00	33,763.00
Furniture & Fittings	515,882.00	-	-	515,882.00	273,035.00	-	-	273,035.00	242,847.00	242,847.00
Vehicles	254,746.00	-	-	254,746.00	184,092.00	-	-	184,092.00	70,654.00	70,654.00
Fire Fighting Equipment	46,588.00	-	-	46,588.00	18,226.00	-	-	18,226.00	28,362.00	28,362.00
Computer	212,016.00	-	-	212,016.00	207,661.00	-	-	207,661.00	4,355.00	4,355.00
TOTAL FIXED ASSETS	11,692,896.00	-	-	11,692,896.00	2,684,529.00	-	-	2,684,529.00	9,008,367.00	9,008,367.00
CAPITAL W.I.P.	7,733,860.00	-	-	7,733,860.00	-	-	-	-	7,733,860.00	7,733,860.00
CIVIL W.I.P.	193,563.00	-	-	193,563.00	-	-	-	-	193,563.00	193,563.00
CAPITAL W.I.P. (NEW DIST. UNIT)	252,986.57	-	-	252,986.57	-	-	-	-	252,986.57	252,986.57
PRE-OPERATIVE EXP.	8,159,966.00	-	-	8,159,966.00	-	-	-	-	8,159,966.00	8,159,966.00
TOTAL CAPITAL WORK IN PROGRESS	16,340,375.57	-	-	16,340,375.57	-	-	-	-	16,340,375.57	16,340,375.57
TOTAL :	28,033,271.57	-	-	28,033,271.57	2,684,529.00	-	-	2,684,529.00	25,348,742.57	25,348,742.57
PREVIOUS YEAR :	28,033,271.57	-	-	28,033,271.57	2,684,529.00	-	-	2,684,529.00	25,348,742.57	25,348,742.57

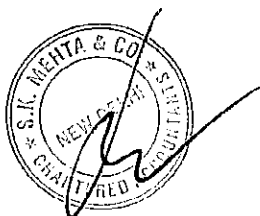


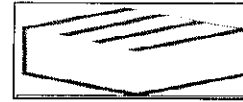


SCHEDULE - 5 - CURRENT ASSETS, LOANS & ADVANCES

(FIGURES IN RUPEES)

DESCRIPTION	AS AT 31.03.2010	AS AT 31.03.2009
A: CURRENT ASSETS		
INVENTORIES		
- Misc. Scrap	50,000.00	50,000.00
A:TOTAL:-	<u>50,000.00</u>	<u>50,000.00</u>
B: SUNDRY DEBTORS		
Unsecured Considered Good Outstanding for over six month Others	2,033,728.56	2,033,728.56
B:TOTAL:-	<u>2,033,728.56</u>	<u>2,033,728.56</u>
C: CASH AND BANK BALANCES		
Cash	640,381.89	37,381.89
Balance with Schedule Bank In Current A/C	3,017,117.07	17,000.07
C:TOTAL :-	<u>3,657,498.96</u>	<u>54,381.96</u>
D: LOANS AND ADVANCES		
Unsecured considered good		
a) Advances recoverable in cash or in kind or for value to be received	543,106.55	646,644.55
b) Security Deposits	142,540.00	142,540.00
D:TOTAL :-	<u>685,646.55</u>	<u>789,184.55</u>
GRAND TOTAL A+B+C+D	<u>6,426,874.07</u>	<u>2,927,295.07</u>





SCHEDULE FORMING PART OF THE BALANCE SHEET
SCHEDULE - 6 - CURRENT LIABILITIES AND PROVISIONS

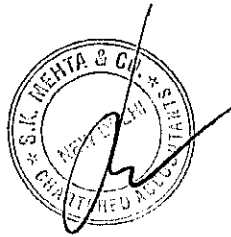
(FIGURES IN RUPEES)

DESCRIPTION	AS AT 31.03.2010	AS AT 31.03.2009
CURRENT LIABILITIES		
(a) Sundry Creditors	-	-
(b) Other Liabilities	36,283,162.10	639,472.10
TOTAL	<u>36,283,162.10</u>	<u>639,472.10</u>

SCHEDULE - 7 MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

DESCRIPTION	AS AT 31.03.2010	AS AT 31.03.2009
Deferred Revenue Expenditure		
a. Public Issue Expenses	-	1,020,258.00
TOTAL	<u>-</u>	<u>1,020,258.00</u>





SCHEDULE FORMING PART OF PROFIT & LOSS ACCOUNT

SCHEDULE - 8 : INCOME

(FIGURES IN RUPEES)

DESCRIPTION	FOR THE YEAR 2009-10	FOR THE YEAR 2008-09
Indirect Income	3917208.12	
TOTAL :	3917208.12	

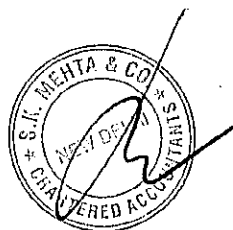
SCHEDULE - 9 - ADMINISTRATION & SELLING

DESCRIPTION	FOR THE YEAR 2009-10	FOR THE YEAR 2008-09
Legal & Professional Charges	15,300.00	15,000.00
Rates, Fee & Taxes	8,000.00	-
Electricity Exp	-	75,000.00
Audit Fees	10,000.00	19,663.00
TOTAL	33,300.00	109,663.00

SCHEDULE - 10 ACCOUNTS WRITTEN OFF

(FIGURES IN RUPEES)

DESCRIPTION	FOR THE YEAR 2009-10	FOR THE YEAR 2008-09
Deffered Revenue Expenditure(Public Issue)	1020258.00	
Advance write-off	202,500.00	-
TOTAL	1,222,758.00	-



VIBROS ORGANICS LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2010

<u>CASH FLOW FROM OPERATING ACTIVITIES:-</u>	<u>31.03.2010</u>	<u>31.03.2009</u>
Net Profit as per P & L A/c	2,661,150	(109,663)
Add:		
Provision for Tax	-	-
Depreciation	-	-
Preliminary Expenses Written Off	1,020,258	-
Advance Write-off	202,500	-
Interest Paid	-	-
Increase in Current Liabilities	35,643,690	19,663
Decrease in Other Current Assets	-	-
Decrease in Debtors	-	-
Decrease in Stock	-	-
	39,527,598	(90,000)
Less:		
Term Loan written off	3,917,208	-
Decrease in Current Liabilities	-	-
Increase in Debtors	-	-
Provision for Deferred Tax	-	-
Increase in Other Current Assets	98,962	-
Increase in Stock	-	-
Income Tax paid	-	-
	4,016,170	-
	35,511,428	(90,000)
<u>CASH FLOW FROM INVESTING ACTIVITIES:-</u>		
<u>CASH FLOW FROM FINANCIAL ACTIVITIES:-</u>		
Repayment of Unsecured Loan	(11,749,851)	109,000
Repayment of Secured Loan		
SBBJ	(7,600,000)	-
PICUP	(12,558,460)	-
	(31,908,311)	109,000
Surplus/ (Deficit)	3,603,117	19,000
Cash & Cash equivalents opening	54,382	35,382
Cash & cash equivalents closing	3,657,499	54,382
Closing Balance as per Balance Sheet	3,657,499	54,382



SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS
FOR THE YEAR ENDING 31ST March 2010 OF VIBROS ORGANICS
LIMITED

A. SIGNIFICANT ACCOUNTING POLICIES

SYSTEM OF ACCOUNTING

The Company adopts the accrual concept in the preparation of accounts.

DEPRECIATION

Depreciation on Fixed Assets is provided on Straight line method in accordance with the provisions of Schedule XIV to the Companies Act 1956.

FIXED ASSETS

The Fixed Assets have been stated at historical cost less accumulated Depreciation.

VALUATION OF INVENTORIES

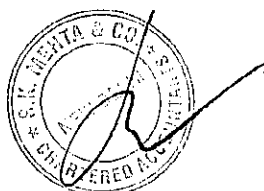
- Raw Material, Stores, Spares & Consumables, Fuel & Packing materials are valued at Cost or market value whichever is lower.
- Finished Goods are valued at lower of cost or Net Realizable Value.
- Work-in-process has been valued at estimated Cost of production.
- Scrap is valued at estimated realizable value.

PRE-OPERATIVE EXPENSES

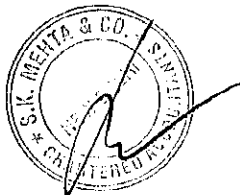
Pre-operative expenses relates to the plant for the manufacture of Ortho Nitro Chloro Benzene and Para Nitro Chloro Benzene, which shall be capitalized on commissioning of plant and commencement of commercial production in the said plant.

B. NOTES TO ACCOUNTS

- 1) **CONTINGENT LIABILITIES**
Unexpired capital commitment for purchase of capital items Rs. NIL (previous year Rs. NIL).
- 2) In the opinion of the Board of Directors, the Current Assets, Loans & Advances have a value on realization in the ordinary course of business at least equal to the amount at which they have been stated in the Balance Sheet and provision for all known liabilities have been made in the books of accounts.



- 3) The production activity could not be resumed during the year, in view of financial constraints being faced by the company.
- 4) Capital Work in Progress amounting to Rs. 163.40 Lacs include Plant and Machinery purchased for the manufacturing of NCB/PNCB during the financial year 1995-96, pending commissioning due to recessionary market conditions and financial constraints being faced by the company.
- 5) Advances recoverable include a sum of Rs. 1.33 lacs (previous year Rs. 1.33 lacs) pending in appeal with excise department.
- 6) (a) Earning in Foreign Currency - NIL (Previous year - Nil)
(b) Expenditure in Foreign Currency - NIL (Previous Year NIL)
- 7) Payment made to Directors -NIL (Previous Year -NIL)
- 8) Debtors and creditors balances are subject to confirmation.
- 9) Previous year figure have been regrouped/recast wherever considered necessary.
- 10) Amount due to Micro, Small & Medium Enterprises -NIL.
- 11) In view of the settlement with PICUP the company has paid overdue interest of Rs.14,39,730/- on term loan.
- 12) During the year One Time settlement has been made for the overdue loan repayable to State Bank of Bikaner & Jaipur and the excess liability of Rs.53,56,939 appearing in the books of account has been written back.
- 13) Since Fixed Assets of the Company was not in use, depreciation for the year is not charged by the Company
- 14) Pre issue expenses of Rs.10.20 lacs have been written off during the year.
- 15) During the year Company has intended to sell the land & Building of Sikandrabad plant of the Company and has received amount of advance from the prospective buyer.



Additional Information pursuant to paragraphs 3 & 4 of Part II of Schedule - VI of the Companies Act, 1956

- A. Particulars Of Goods Manufactured/Traded - Nil (Previous Year Nil)
- B. Stocks Of Finished Goods - Nil (Previous Year Nil)
- C. Turnover Of Finished Goods - Nil (Previous Year Nil)
- D. Installed Capacity - Nil
- E. Consumption of Raw Material - NIL (Previous Year Nil)
- F. Break Up Of Consumption Of Material - Indigenous Nil (Previous year Nil) Imported Nil (Previous year Nil)

Related Parties Disclosures as per Accounting Standard 18:

a) **List of Related Parties: -**

M/s. Tecon Projects Pvt. Ltd.
M/s. Naveen Projects Ltd.
M/s. Liddle Investment Pvt. Ltd.
M/s. Allied Metal & Engg. Works
M/s. Vibros Exports Pvt. Ltd.
M/s. Kolsons Exims Pvt. Ltd.
M/s. Pranav Comtech Pvt. Ltd.
M/s. Vibros & Company.
M/s. Kolsons International FZE

b) **Key management personnel :-**

Mr. Naveen Kohli (Managing Director)
Mr. Anil Sood (Director)

d) **Transactions with related Parties**

Category	-	Associated Body Corporate and Firm
Nature of Transaction	-	Unsecured Loans Repaid (Net)
Amount of Unsecured Loan Paid during the year	-	Rs. 117.73 (Net) Lacs
Outstanding Unsecured loan (Net) as on 31.03.2010	-	Rs. 106.72 Lacs

Segment Reporting: -

The Company has only one line of product and is managed organizationally as a single unit, therefore no separate segment is identifiable. Also there are no reportable geographical segments as required by Accounting Standard 17, issued by The Institute of Chartered Accountants of India.



Deferred Income Tax as per AS -22:

As the company is a sick Company and do not foresee any taxable income in future the deferred tax assets / liability is not considered to be accounted for in accordance with accounting standard -22 issued by Institute of Chartered Accountants of India

Earning Per Share: -

	<u>Year</u> <u>2009-10</u>	<u>Year</u> <u>2008-09</u>
Net Profit/(Loss) for the year	Rs.26,61,150	(Rs.1,09,663)
No. of Equity Share	54,38,800	54,38,800
Nominal Value of equity share	Rs.10.00	Rs.10.00
Basic/Diluted Earning per share	Rs. 0.49	Rs.(-)0.02

Additional information as required under Part IV of Schedule VI to the Companies Act, 1956.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

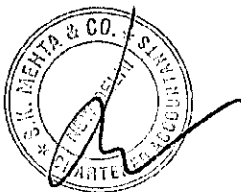
I. Registration No. 21518 State Code 20
Balance Sheet Date 31.03.2010

II. Capital raised during the year (Amount Rs. in thousands)

Public Issue (Issue through Prospectus) Nil	Rights Issue Nil
Bonus Issue Nil	Private Placement Nil

**III. Position of Mobilization and Deployment of Funds
(Amount Rs. in thousands):**

Total Liabilities 64863	Total Assets 64863
Sources of Funds Paid up Capital 54122	Reserves & Surplus Nil
Secured Loans 70	Unsecured Loans 10672



Application of Funds

Net Fixed Assets
25349

Investments
Nil

Net Current Assets
(29856)

Misc. Expenditure
Nil

Accumulated Losses
69371

IV. Performance of the Company (Amount Rs. in thousands)

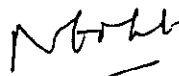
Turnover/Income 3917	Total Expenditure 1256
Profit before Tax 2661	Profit after Tax 2661
Earning per share in Rs.0.49	Dividend % Nil

V. Generic Names of Three Principal Products/Services of the Company (as per monetary terms).

Item Code No. 29215109
(ITC Code)
Product Description ORTHO PHENYLENE DIAMINE

Item Code No. 29215109
(ITC Code)
Product Description PARA PHENYLENE DIAMINE

Item Code No. 29214211
(ITC Code)
Product Description PARA NITRO ANILINE



(NAVEEN KOHLI)
DIRECTOR



(ANIL SOOD)
DIRECTOR

Place:- New Delhi.
Dated:- 02/09/2010

