

# VIBROS ORGANICS LIMITED



ANNUAL REPORT - 2010 - 11

# VIBROS ORGANICS LIMITED

## *Company Information*

### **Board of Directors**

|                  |                              |
|------------------|------------------------------|
| Mr. Naveen Kohli | Chairman & Managing Director |
| Mr. Anil Sood    | Director                     |
| Mr. N. K. Sood   | Director                     |
| Mr. Vivek Jha    | Director                     |

### **Board Committees:**

#### **Audit Committee**

|                  |          |
|------------------|----------|
| Mr. Anil Sood    | Chairman |
| Mr. Naveen Kohli | Member   |
| Mr. N.K. Sood    | Member   |

#### **Shareholders' Grievance Committee**

|                  |          |
|------------------|----------|
| Mr. Naveen Kohli | Chairman |
| Mr. Anil Sood    | Member   |
| Mr. N.K. Sood    | Member   |

#### **Remuneration Committee**

|               |          |
|---------------|----------|
| Mr. Anil Sood | Chairman |
| Mr. N.K. Sood | Member   |

#### **Company Secretary**

Mr. Sanjeev Tripathi

#### **Bankers**

The Royal Bank of Scotland

#### **Registered Office**

C-34, Site C,  
Surajpur Industrial Area,  
Greater Noida 201306 (U.P.)

#### **Corporate Office**

B 159, Sector 63,  
Noida - 201307

**VIBROS ORGANICS LIMITED**

Regd. Office: C-34, Site C, Surajpur Industrial Area, Greater Noida 201306 (U.P.)

**NOTICE**

Notice is hereby given that the 24<sup>th</sup> Annual General Meeting of the members of VIBROS ORGANICS LIMITED will be held on Friday, 30<sup>th</sup> September, 2011, at 11.00 A.M. at the Registered Office of the Company at C-34, Site C, Surajpur Industrial Area, Greater Noida 201306 (U.P.) to transact the following business:

**ORDINARY RESOLUTION**

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2011 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. Vivek Jha, 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.

**For and on behalf of the Board**

**For VIBROS ORGANICS LIMITED**

Sd/-  
(NAVEEN KOHLI)  
**CHAIRMAN & MANAGING DIRECTOR**

Place: Greater Noida  
Dated: 2<sup>nd</sup> September, 2011

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 Tuesday, 27<sup>th</sup> September, 2011 to Friday, 30<sup>th</sup> September, 2011 (both days inclusive).

## **DIRECTORS' REPORT**

The Members

Yours Directors have pleasure in presenting the 24<sup>th</sup> Annual Report together with the Audited Statement of Accounts for the year ended March 31, 2011.

### **Financial Results and Operations**

Out of the part consideration received against the sale of land and building of the company at Sikandrabad, Bulandshahar, pending dues of the financial institutions have been paid in full.

### **Dividend**

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

### **Deposits**

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

### **Revocation of Suspension in trading of Shares in BSE**

As a result of extensive efforts on the part of the Company, the Bombay Stock Exchange Limited has granted in-principal approval for revocation of suspension in trading of shares of the Company.

### **Delisting of Shares from UPSE and JSE**

In view of there being no trading in the shares of the Company in the U.P. Stock Exchange Association Limited and the Jaipur Stock Exchange Limited and to curtail the expenses of the Company, the Board at its meeting held on September 2, 2011, has passed a resolution to delist the shares of the Company from the said two Stock Exchanges.

### **Directors**

Mr. Narender Kumar Sood and Mr. Vivck Jha are liable to retire by rotation and are eligible for re-appointment.

### **Auditors and Auditors' Report**

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.

The Notes on Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

### **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, 2011 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.

### **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.

### **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.

### **Foreign Exchange Earning and Outgo**

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

### **Corporate Governance**

Your Company is committed to maintain the highest standards of Corporate Governance. The Directors adhere to the requirements set out by the Securities and Exchange Board of India's Corporate Governance practices and have implemented all the stipulations prescribed. The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report.

The requisite Certificate from the practicing Company Secretary, Mr. Manish Kumar Dixit, confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49, is annexed to this Report.

### **Acknowledgement**

The Directors would like to express their appreciation for the continued confidence reposed in them by the shareholders of the Company and look forward to their continued support.

**For and on behalf of the Board**

**For VIBROS ORGANICS LIMITED**  
Sd/-

**(NAVEEN KOHLI)**  
**CHAIRMAN & MANAGING DIRECTOR**

Place: Greater Noida

Dated: 2<sup>nd</sup> September, 2011

## MANAGEMENT DISCUSSION AND ANALYSIS

### Operations of the Company:

Out of the part consideration received against the sale of land and building of the company at Sikandrabad, Bulandshahar, pending dues of the financial institutions have been paid in full.

### Future Outlook:

As the company has decided to sell-off some of its 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.

## REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2011.

### 1. Company's Philosophy

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

- (i) 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.
- (ii) Highest standards of compliance, disclosure and transparency are maintained by the Company.

### 2. Board of Directors

Mr. Narender Kumar Sood and Mr. Vivek Jha, who retire by rotation and being eligible, offer themselves for re-appointment.

### 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 61, is a commerce graduate having more than 36 years of experience in their family business.
- (ii) **Mr. N. K. Sood**, aged 63, is a commerce graduate having more than 31 years of experience in the garments export business.
- (iii) **Mr. Anil Sood**, aged 52, is a qualified Chartered Accountant having an experience of more than 26 years in corporate and related economic legislations.
- (iv) **Mr. Vivek Jha**, aged 41, is graduate having an experience of 11 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**

| Name of Director | Category of Directorship | Attendance of Meetings during 2010-11 |          | No. of Directorships and Committee Memberships/Chairmanships (including this Company) |                       |                         |
|------------------|--------------------------|---------------------------------------|----------|---|-----------------------|-------------------------|
|                  |                          | Board Meetings                        | Last AGM | Directorships   | Committee Memberships | Committee Chairmanships |
| Mr. Naveen Kohli | Executive                | 10                                    | Yes      | 2   | 1                     | 1                       |
| Mr. N. K. Sood   | Non Executive            | 10                                    | Yes      | 3   | 3                     | -                       |
| Mr. Anil Sood    | Non Executive            | 10                                    | Yes      | 4   | 2                     | 1                       |
| Mr. Vivek Jha    | Non Executive            | 3                                     | Yes      | 1   | -                     | -                       |

**3. Meetings of the Board / Committees**

**Board Meetings**

During the year ended March 31, 2011, ten (10) meetings of the Board of Directors were held on April 26, 2010, July 27, 2010, September 02, 2010, October 25, 2010, December 10, 2010, December 22, 2010, January 21, 2011, January 27, 2011, February 28, 2011 and March 16, 2011.

**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, 2011, five (5) meeting of the Audit Committee were held on April 26, 2010, July 27, 2010, September 02, 2010, October 25, 2010, January 27, 2011,

**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, 2011, one (1) meeting of the Shareholders' Grievance Committee was held on December 28, 2010.



## Remuneration Committee

The Remuneration 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, 2011.

## 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 |
|---------|--|----------------------------------|----------------------------|
| 2007-08 | A-46, UPSIDC Industrial Area, Sikandrabad, Distt. Bulandshahar, U.P.   | September 30, 2008 at 11.00 A.M. | Nil                        |
| 2008-09 | A-46, UPSIDC Industrial Area, Sikandrabad, Distt. Bulandshahar, U.P.   | September 30, 2009 at 11.00 A.M. | Nil                        |
| 2009-10 | C-34, Site – C, Surajpur Industrial Area, Greater Noida – 201306 (U.P) | September 30, 2010 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 2.91 Lacs paid during the financial year 2010-11 towards advance recoverable.

## 6. Means of Communication

### Quarterly Results

Quarterly Results are published in 'The Pioneer' and 'Veer Arjun' and are also uploaded on the Company's website [www.vibrosorganics.com](http://www.vibrosorganics.com).

### 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:

Friday, September 30, 2011  
C-34, Site C, Surajpur Industrial Area,  
Greater Noida 201306 (U.P)

**Book Closure Period:**

Tuesday, 27<sup>th</sup> September, 2011  
to Friday, 30<sup>th</sup> September, 2011  
(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),<br>Phiroze Jeejeebhoy Towers, Dalal Street,<br>Mumbai- 400001.          | 54,38,800            | N.A.         |
| Delhi Stock Exchange Association Limited (DSE)<br>3/1, Asaf Ali Road, New Delhi-110002.                                  | 54,38,800            |              |
| The U. P. Stock Exchange Association Limited<br>Padam Towers, 14/113, Civil Lines, Kanpur- 208001                        | 54,38,800            |              |
| Jaipur Stock Exchange Limited (JSE).<br>Stock Exchange Building, Jawaharlal Nehru Marg,<br>Malviya Nagar, Jaipur-302017. | 54,38,800            |              |

**Payment of Listing Fees:**

Annual listing fee for the year 2011-12 (as applicable) has been paid by the Company to BSE, DSE, UPSE and JSE.

**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.

**Revocation of Suspension in trading of Shares in BSE**

The Bombay Stock Exchange Limited has granted in-principal approval for revocation of suspension in trading of shares of the Company.

**Delisting of Shares from UPSE and JSE**

The Board at its meeting held on September 2, 2011, passed a resolution to delist the shares of the Company from the U.P. Stock Exchange Association Limited and the Jaipur Stock Exchange Limited.

**Registrar and Share Transfer Agents:**

Skyline Financial Services Pvt. Ltd.  
D-153 A, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase - I,  
New Delhi - 110020  
E-Mail: [viren@skylinert.com](mailto:viren@skylinert.com)  
Telephone Nos. : 011-30857575

### 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. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement with Stock Exchanges and files a copy of the certificate with the Stock Exchanges.

### Distribution of Shareholding as on 31<sup>st</sup> March, 2011

| S. No. | Category         | Shares          |                       |                |                       |                |                       |
|--------|------------------|-----------------|-----------------------|----------------|-----------------------|----------------|-----------------------|
|        |                  | Electronic Form |                       | Physical Form  |                       | Total          |                       |
|        |                  | No. of Shares   | %age of Total Capital | No. of Shares  | %age of Total Capital | No. of Shares  | %age of Total Capital |
| 1      | Promoters        | NIL             | NIL                   | 1903200        | 34.99                 | 1903200        | 34.99                 |
| 2      | Bodies Corporate | NIL             | NIL                   | 121500         | 2.23                  | 121500         | 2.23                  |
| 3      | Individuals      | NIL             | NIL                   | 3414100        | 62.78                 | 3414100        | 62.78                 |
|        | <b>Total</b>     | NIL             | NIL                   | <b>5438800</b> | <b>100.00</b>         | <b>5438800</b> | <b>100.00</b>         |

### Shareholding Pattern by Size

| S. No. | Category        | Share holders |                            | No. of Shares  |                 |                | %age of Total Capital |
|--------|-----------------|---------------|----------------------------|----------------|-----------------|----------------|-----------------------|
|        |                 | No.           | %age of Total Shareholders | Physical Form  | Electronic Form | Total          |                       |
| 1      | Upto 500        | 2613          | 72.74                      | 760490         | NIL             | 760490         | 13.98                 |
| 2      | 501-1000        | 628           | 17.48                      | 452700         | NIL             | 452700         | 8.32                  |
| 3      | 1001-2000       | 209           | 5.82                       | 289600         | NIL             | 289600         | 5.32                  |
| 4      | 2001-3000       | 46            | 1.28                       | 122200         | NIL             | 122200         | 2.25                  |
| 5      | 3001-4000       | 11            | 0.31                       | 40500          | NIL             | 40500          | 0.74                  |
| 6      | 4001-5000       | 18            | 0.50                       | 84600          | NIL             | 84600          | 1.56                  |
| 7      | 5001-10000      | 26            | 0.72                       | 198000         | NIL             | 198000         | 3.64                  |
| 8      | 10001 and above | 41            | 1.14                       | 3490710        | NIL             | 3490710        | 64.18                 |
|        | <b>Total</b>    | <b>3592</b>   | <b>100.00</b>              | <b>5438800</b> | <b>NIL</b>      | <b>5438800</b> | <b>100.00</b>         |

**Address for Correspondence**  
**B 159, Sector 63,**  
**Noida - 201307**

**8. Compliance Certificate of the Practicing Company Secretary**

Certificate from the practicing Company Secretary, Mr. Manish Kumar Dixit, confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49, is annexed to the Directors' Report forming part of the Annual Report.

**9. CEO Certification**

The Chairman and Managing Director of the Company gives annual certification on financial reporting and internal controls to the Board in terms of Clause 49. The Chairman and Managing Director also gives quarterly certification on financial results while placing the financial results before the Board in terms of Clause 41 of the Listing Agreement.

**10. Adoption of Requirements of Clause 49**

The Company has complied with all the mandatory requirements of Clause 49.

**For and on behalf of the Board**

**For VIBROS ORGANICS LIMITED**

**Sd/-  
(NAVEEN KOHLI)  
CHAIRMAN & MANAGING DIRECTOR**

**Place: Greater Noida  
Dated: 2<sup>nd</sup> September, 2011**

**PRACTICING COMPANY SECRETARY'S REPORT ON  
CORPORATE GOVERNANCE**

To,  
**The members of Vibros Organics Limited**

We have examined the compliance of conditions of Corporate Governance by **Vibros Organics Limited** for the year ended March 31, 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the company for ensuring compliance with the conditions of the certificate of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to best of our information and according to the explanations given to us and representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned listing Agreement

We have been explained during the period under review no investor grievances have been received against the Company as per the records maintained by the Company.

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

**For MANISH K. DIXIT & ASSOCIATES  
Company Secretaries**

Sd/-  
**(MANISH K. DIXIT)**  
Proprietor  
CP NO. 9414

Place: Delhi  
Date : 02-09-2011

**VIBROS ORGANICS LIMITED**  
Regd. Office: C-34, Site C, Surajpur Industrial Area, Greater Noida 201306 (U.P.)

**ATTENDANCE SLIP**

**Please fill this Attendance Slip and hand it over at the entrance of the Meeting Hall**

Folio No.....

No. of Shares.....

Name and Address of the Shareholder.....

I hereby record my presence at the 24<sup>th</sup> Annual General Meeting of the members of VIBROS ORGANICS LIMITED held on Friday, 30<sup>th</sup> September, 2011, at 11.00 A.M. at the Registered Office of the Company at C-34, Site C, Surajpur Industrial Area, Greater Noida 201306 (U.P.)

**Signature of Shareholder / Proxy**

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**VIBROS ORGANICS LIMITED**

Regd. Office: C-34, Site C, Surajpur Industrial Area, Greater Noida 201306 (U.P.)

**PROXY FORM**

I/We .....of..... being a member(s) of VIBROS ORGANICS LIMITED hereby appoint ..... of.....or failing him, .....of.....as my/our Proxy to attend and vote for me/us on my / our behalf, the 24<sup>th</sup> Annual General Meeting to be held on Friday, 30<sup>th</sup> September, 2011, at 11.00 A.M. at C-34, Site C, Surajpur Industrial Area, Greater Noida 201306 (U.P.) or any adjournment thereof

Signed this.....day of.....2011

Folio No.

No. of Shares.....

Affix a  
Re.1/-  
Revenue  
Stamp

Auditor's Report

To the members of **Vibros Organics Limited**

1. We have audited the attached Balance Sheet of **Vibros Organics Limited** as at 31<sup>st</sup> March, 2011, 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.
2. 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.
3. 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 3 and 4 of the said Order.
4. (i) Further to our comments in the Annexure referred to above, we report that:
  - (a) Company has civil work in progress of ₹ 163.40 lacs at cost, pending commissioning since financial year 1995-96. 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, as per AS-28 "Impairment of Assets".  
(Refer Notes to Accounts Para 4 in Schedule 11).
  - (b) Company has not charged depreciation amounting to ₹ 2.52 Lacs for the year on the Fixed Assets as required to be charged as per AS-6 "Depreciation Accounting".  
(Refer Notes to Accounts Para 10 in Schedule 11)
  - (c) Disclosure is not made for discontinuing operations as per AS-24 "Discontinuing Operations", as the company has intended to sell the land and building of its plant at Sikandarbad and has already received advance from prospective buyer. (Refer Notes to Accounts Para 11 in Schedule 11).
- (ii) 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.
- (iii) 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.
- (iv) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.

- (v) 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 Accounting" and AS-24 "Discounting Operations".
- (vi) We are informed that none of the directors is disqualified as on 31<sup>st</sup> March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- (vii) Going concern: Company could not resume its production activity during the year (Refer Notes to Accounts Para 3 in Schedule 11).  
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, disposal of plant & machinery and intended to sell the Land and Building of its plant; we are unable to express our opinion on its resuming of production activities in near future.
- (viii) 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 4(i), 4(vii) consequently the Loss for the current year of the company has been understated to the extent of ₹ 2.52 Lacs and to the extent amount not ascertainable on account of impairment of fixed assets and discontinuing operations, if any, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :-
- a) In the case of the Balance Sheet of the state of affairs of the Company as at 31<sup>st</sup> March, 2011.
  - b) In the case of the Profit and Loss Account of the Loss for the year ended on that date and
  - c) In the case of Cash Flow Statement, of the Cash Flow of the Company for the year ended on that date.

For S.K.Mehta & Co.  
Chartered Accountants  
(FRN 000478N)

Place: New Delhi  
Date: 02/09/2011

Sd/-  
(B.P.Saxena)  
M.No. 10568  
Partner



**ANNEXURE TO THE AUDITORS REPORT OF VIBROS ORGANICS LIMITED.**  
(Referred to in Paragraph 3 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 as per information and explanation given to us, Company has intended to sell its Land and Building of plant at Sikandrabad since earlier year and received advance from the prospective buyer however the ownership of that Land & Buildings has not been vested to buyer therefore the said assets are still appearing in the books of account of the company.
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.
3. The Company has taken unsecured loans outstanding as on 31<sup>st</sup> March, 2011 ₹ 218.85 Lacs (Maximum amount outstanding in respect of above loan ₹ 218.85 Lacs during the year) from the six parties covered in the register maintained under section 301 of the Companies Act 1956. Company has also given interest free loans to two parties outstanding at the year end ₹ 115.04 Lacs (Maximum amount recoverable in respect of above loan ₹ 115.04 Lacs during the year) covered in the register maintained under section 301 of the Companies Act, 1956. In our opinion terms and conditions are not prejudicial to the interest of the company.
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 ₹ 1.49 Lacs, Sales Tax ₹ 1.00 Lac and Gratuity ₹ 2.01 Lacs outstanding as at 31-03-2011 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 except `1.33 Lacs pending in appeal in excise department.**

10. **The company has accumulated losses of `695.93 Lacs as on 31.3.2011.**
11. Based on our examination and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution or bank.
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. Based on our examination of the records and evaluation of the related internal controls, we are of the opinion that proper records have been maintained of the transaction and contracts and timely entries have been made in those records.
16. According to the information and explanations given to us, the company has not obtained any term loan during the year.
17. According to the information and explanations given to us, company has not raised any fresh loans from Banks & Financial Institutions during the year.
18. 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.
19. Since no debentures have been issued during the year, question of creating securities does not arise.
20. According to the records, the company has not raised any money by public issue during the year.
21. 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

For S.K.Mehta & Co.  
Chartered Accountants  
(FRN 000478N)

Place: New Delhi  
Date: 02/09/2011

Sd/-  
(B.P.Saxena)  
M.No. 10568  
Partner

# VIBROS ORGANICS LIMITED

## BALANCE SHEET

AMOUNT IN ₹

| AS AT MARCH 31ST                                       | SCHEDULE     | 2011                 | 2010                 |
|--|--------------|----------------------|----------------------|
| <b>SOURCES OF FUNDS</b>                                |              |                      |                      |
| <b>SHAREHOLDER'S FUND</b>                              |              |                      |                      |
| Share Capital  | 1            | 54,121,995.00        | 54,121,995.00        |
| <b>LOAN FUNDS</b>                                      |              |                      |                      |
| Secured Loans  | 2            | -                    | 69,755.00            |
| Unsecured Loans  | 3            | 21,884,643.49        | 21,884,643.49        |
|  | <b>TOTAL</b> | <b>76,006,638.49</b> | <b>76,076,393.49</b> |
| <b>APPLICATIONS OF FUNDS</b>                           |              |                      |                      |
| <b>FIXED ASSETS</b>                                    |              |                      |                      |
| (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        |
| <b>Current Assets , Loans &amp; Advances</b>           |              |                      |                      |
| (A) Inventories  | 5            | 50,000.00            | 50,000.00            |
| (B) Sundry Debetors                                    |              | 2,033,728.56         | 2,033,728.56         |
| (C) Cash & Bank Balances                               |              | 3,079,073.43         | 3,657,498.96         |
| (D) Loans & Advances                                   |              | 12,236,861.55        | 11,898,711.55        |
|  |              | 17,399,663.54        | 17,639,939.07        |
| Less : Current Liabilities & Provisions<br>Liabilities | 6            | 36,334,722.10        | 36,283,162.10        |
| Net Current Assets                                     |              | (18,935,058.56)      | (18,643,223.03)      |
| Profit & Loss Account                                  |              | 69,592,954.48        | 69,370,873.95        |
|  | <b>TOTAL</b> | <b>76,006,638.49</b> | <b>76,076,393.49</b> |
| Significants Accounting Policies & Notes to Accounts   | 11           |                      |                      |

Schedules referred above from an integral part of Balance Sheet

As Per Our Report of even date attached

For on the behalf of Board of Directors

**FOR S.K.MEHTA & CO.**  
**CHARTERED ACCOUNTANTS**

Sd/-  
**(B. P. SAXENA)**  
PARTNER  
M.NO. 10568

Sd/-  
ANIL SOOD  
DIRECTOR

Sd/-  
NAVEEN KOHLI  
DIRECTOR

Place: - New Delhi.  
Date:- 02/09/2011

# VIBROS ORGANICS LIMITED

## PROFIT & LOSS ACCOUNT

|   |          |                        | AMOUNT IN ₹            |  |
|---|----------|------------------------|------------------------|--|
| FOR THE YEAR ENDED MARCH 31ST                           | SCHEDULE | 2011                   | 2010                   |  |
| <b>INCOME</b>   |          |                        |                        |  |
| Other Income  | 7        | 40,445.00              | 3,917,208.12           |  |
|   |          | <u>40,445.00</u>       | <u>3,917,208.12</u>    |  |
| <b>EXPENDITURE</b>                                      |          |                        |                        |  |
| Administrative, Selling & Other Expenses                | 8        | 206,518.00             | 33,300.00              |  |
| Accounts Written-off                                    | 9        | -                      | 1,222,758.00           |  |
| Interest & Financial Charges                            | 10       | 56,007.53              | -                      |  |
|   |          | <u>262,525.53</u>      | <u>1,256,058.00</u>    |  |
| Profit (Loss) Before Tax                                |          | (222,080.53)           | 2,661,150.12           |  |
| Less Provision for Tax - Current Tax                    |          | -                      | -                      |  |
| - Defrred Tax   |          | -                      | -                      |  |
| Profit (Loss) After Tax                                 |          | (222,080.53)           | 2,661,150.12           |  |
| Balance Brought Forward                                 |          | (69,370,873.95)        | (72,032,024.07)        |  |
| Balance carried over to Balance Sheet                   |          | <u>(69,592,954.48)</u> | <u>(69,370,873.95)</u> |  |
| Earning Per Share (Basic) of Face Value of ₹ 10 each    |          | (0.04)                 | 0.49                   |  |
| Earning Per Share (Diluted ) of Face Value of ₹ 10 each |          | (0.04)                 | 0.49                   |  |
| Significants Accounting Policies & Notes of Accounts    | 11       |                        |                        |  |

Schedules referred above from an integral part of Profit & Loss Accounts

As Per Our Report of even date attached

For on the behalf of Board of Directors

**FOR S.K.MEHTA & CO.**  
**CHARTERED ACCOUNTANTS**

Sd/-  
(B. P. SAXENA)  
PARTNER  
M.NO. 10568

Sd/-  
ANIL SOOD  
DIRECTOR

Sd/-  
NAVEEN KOHLI  
DIRECTOR

Place: - New Delhi.  
Date:- 02/09/2011

**VIBROS ORGANICS LIMITED****SCHEDULE FORMING PART OF THE BALANCE SHEET****SCHEDULE - 1 : SHARE CAPITAL**

|  | AMOUNT IN ₹          |                      |
|--|----------------------|----------------------|
| AS AT MARCH 31ST   | 2011                 | 2010                 |
| <b>AUTHORISED CAPITAL</b>  |                      |                      |
| Equity Share 600000 of ₹10 each ( Previous year- 600000 Equity Share of ₹10/- each)      | 60,000,000.00        | 60,000,000.00        |
| <b>ISSUED, SUBSCRIBED AND PAID-UP:-</b>  |                      |                      |
| 5438800 (Previous year 5438800 Equity Shares) Equity share of ₹10/- each fully Called up | 54,388,000.00        | 54,388,000.00        |
| Less :- Calls in Arrear  | 266,005.00           | 266,005.00           |
| <b>TOTAL</b>   | <b>54,121,995.00</b> | <b>54,121,995.00</b> |

**SCHEDULE - 2 - SECURED LOAN**

|   | AMOUNT IN ₹ |                  |
|---|-------------|------------------|
| AS AT MARCH 31ST  | 2011        | 2010             |
| <b>SECURED LOANS</b>  |             |                  |
| Term Loan from The Pradeshiya Industrial and Investment Corp. of U.P.Ltd. (PICUP)   | -           | 69,755.00        |
| ( 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.) |             |                  |
| <b>TOTAL</b>  | <b>-</b>    | <b>69,755.00</b> |

**SCHEDULE - 3 - UNSECURED LOAN**

|                  | AMOUNT IN ₹          |                      |
|------------------|----------------------|----------------------|
| AS AT MARCH 31ST | 2011                 | 2010                 |
| Loan From Others | 21,884,643.49        | 21,884,643.49        |
| <b>TOTAL</b>     | <b>21,884,643.49</b> | <b>21,884,643.49</b> |

VIBROS ORGANICS LTD

SCHEDULE FORMING PART OF THE BALANCE SHEET  
SCHEDULE - 4 : FIXED ASSETS

| P A R T I C U L A R S                 | G R O S S B L O C K  |           |          | D E P R I C I A T I O N |                     |          | A M O U N T I N ₹ |                     |                      |                      |
|---------------------------------------|----------------------|-----------|----------|-------------------------|---------------------|----------|-------------------|---------------------|----------------------|----------------------|
|                                       | AS ON                | ADDITIONS | TRANSFER | TOTAL                   | UPTO                | FOR THE  | ADJUSTED          | TOTAL               | AS ON                | AS AT                |
|                                       | 01-04-2010           |           | / SALE   | 31-03-2011              | 31-03-2010          | YEAR     | SALE/TPR          | 31-03-2011          | 31-03-2011           | 31-03-2010           |
| 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             |
| <b>TOTAL FIXED ASSETS</b>             | <b>11,692,896.00</b> | <b>-</b>  | <b>-</b> | <b>11,692,896.00</b>    | <b>2,684,529.00</b> | <b>-</b> | <b>-</b>          | <b>2,684,529.00</b> | <b>9,008,367.00</b>  | <b>9,008,367.00</b>  |
| 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         |
| <b>TOTAL CAPITAL WORK IN PROGRESS</b> | <b>16,340,375.57</b> | <b>-</b>  | <b>-</b> | <b>16,340,375.57</b>    | <b>-</b>            | <b>-</b> | <b>-</b>          | <b>-</b>            | <b>16,340,375.57</b> | <b>16,340,375.57</b> |
| <b>TOTAL:</b>                         | <b>28,033,271.57</b> | <b>-</b>  | <b>-</b> | <b>28,033,271.57</b>    | <b>2,684,529.00</b> | <b>-</b> | <b>-</b>          | <b>2,684,529.00</b> | <b>25,348,742.57</b> | <b>25,348,742.57</b> |
| <b>PREVIOUS YEAR TOTAL:</b>           | <b>28,033,271.57</b> | <b>-</b>  | <b>-</b> | <b>28,033,271.57</b>    | <b>2,684,529.00</b> | <b>-</b> | <b>-</b>          | <b>2,684,529.00</b> | <b>25,348,742.57</b> | <b>25,348,742.57</b> |

| VIBROS ORGANICS LIMITED   |                      |                      |
|---|----------------------|----------------------|
| SCHEDULE FORMING PART OF THE BALANCE SHEET                                |                      |                      |
| SCHEDULE - 5 - CURRENT ASSETS, LOANS & ADVANCES                           |                      |                      |
|   |                      | AMOUNT IN ₹          |
| AS AT MARCH 31ST  | 2011                 | 2010                 |
| <b>( A ) INVENTORIES</b>  |                      |                      |
| (As taken value & certified by the management)                            |                      |                      |
| - Misc. Scrap   | 50,000.00            | 50,000.00            |
| <b>TOTAL</b>  | <b>50,000.00</b>     | <b>50,000.00</b>     |
| <b>( B ) SUNDRY DEBTORS</b>   |                      |                      |
| (Debts outstanding for a period of 6 months)                              |                      |                      |
| -Unsecured Considered Good  | 2,033,728.56         | 2,033,728.56         |
| -Provision for bad & doubtful debts)                                      | -                    | -                    |
| Others (Unsecured considered goods)                                       | -                    | -                    |
| <b>TOTAL</b>  | <b>2,033,728.56</b>  | <b>2,033,728.56</b>  |
| <b>( C ) CASH AND BANK BALANCES</b>                                       |                      |                      |
| Cash  | 829,144.89           | 640,381.89           |
| <u>Balance with Schedule Bank</u>   |                      |                      |
| In Current A/C  | 111,928.54           | 3,017,117.07         |
| In FDR's  | 2,138,000.00         | -                    |
| <b>TOTAL</b>  | <b>3,079,073.43</b>  | <b>3,657,498.96</b>  |
| <b>( D ) LOANS AND ADVANCES</b>   |                      |                      |
| Unsecured considered good   |                      |                      |
| a) Advances recoverable in cash or<br>in kind or for value to be received | 11,698,788.15        | 11,360,638.15        |
| b) Balance with Excise / Service Tax Authorities                          | 395,533.40           | 395,533.40           |
| c) Security Deposits  | 142,540.00           | 142,540.00           |
| <b>TOTAL</b>  | <b>12,236,861.55</b> | <b>11,898,711.55</b> |
| <b>SCHEDULE - 6 - CURRENT LIABILITIES</b>                                 |                      |                      |
| Other Liabilities   | 36,334,722.10        | 36,283,162.10        |
| <b>TOTAL</b>  | <b>36,334,722.10</b> | <b>36,283,162.10</b> |

| VIBROS ORGANICS LTD                                     |                   |                     |
|---|-------------------|---------------------|
| SCHEDULE FORMING PART OF PROFIT & LOSS ACCOUNT          |                   |                     |
| SCHEDULE -7: OTHER INCOME                               |                   |                     |
|   | AMOUNT IN ₹       |                     |
| FOR THE YEAR ENDED MARCH 31ST                           | 2011              | 2010                |
| Interest Income   | 40,445.00         | -                   |
| Miscellaneous Income                                    | -                 | 3,917,208.12        |
| <b>TOTAL</b>  | <b>40,445.00</b>  | <b>3,917,208.12</b> |
| SCHEDULE - 8 - ADMINISTRATIVE, SELLING & OTHER EXPENSES |                   |                     |
|   | AMOUNT IN ₹       |                     |
| FOR THE YEAR ENDED MARCH 31ST                           | 2011              | 2010                |
| Legal & Professional Charges                            | 174,847.00        | 15,300.00           |
| Rates & Taxes   | -                 | 8,000.00            |
| Electricity Expenses                                    | -                 | -                   |
| Audit Fees  | 16,545.00         | 10,000.00           |
| Postage & Telegraph                                     | 237.00            | -                   |
| Printing & Stationery                                   | 875.00            | -                   |
| Travelling & Conveyance                                 | 14,014.00         | -                   |
| <b>TOTAL</b>  | <b>206,518.00</b> | <b>33,300.00</b>    |
| SCHEDULE - 9 ACCOUNTS WRITTEN OFF                       |                   |                     |
|   | AMOUNT IN ₹       |                     |
| FOR THE YEAR ENDED MARCH 31ST                           | 2011              | 2010                |
| Deffered Revenue Expenditure(Public Issue)              | -                 | 1020258.00          |
| Advance write-off                                       | -                 | 202500.00           |
| <b>TOTAL</b>  | <b>-</b>          | <b>1,222,758.00</b> |
| SCHEDULE - 10 INTEREST & FINANCIAL EXPENSES             |                   |                     |
|   | AMOUNT IN ₹       |                     |
| FOR THE YEAR ENDED MARCH 31ST                           | 2011              | 2010                |
| Bank Charges  | 56,007.53         | -                   |
| <b>TOTAL</b>  | <b>56,007.53</b>  | <b>-</b>            |



SCHEDULE 11SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FOR THE YEAR ENDING 31<sup>ST</sup> MARCH 2011 OF VIBROS ORGANICS LIMITEDA. SIGNIFICANT ACCOUNTING POLICIES1. SYSTEM OF ACCOUNTING

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

2. DEPRECIATION

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

3. FIXED ASSETS

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

4. VALUATION OF INVENTORIES

- Raw Materials and stores & spares and components are valued at lower of cost or net realizable value
- Goods in process at factory are valued at Material Cost plus estimated overheads/ realizable value as per physical verification carried out and certified by the Management.
- Contract in progress is valued on percentage completion method at the rates provided in the contract reduced by estimated percentages towards expected profit.
- Finished Goods are valued at lower of cost or net realizable value. Cost is worked out by adopting first in first out (FIFO) method.

5. 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.

6. EMPLOYEE BENEFITS:

- Provision for Gratuity is made in respect of employees covered under payment of Gratuity Act - As per the provisions of the said Act. For other employees - in terms of their appointment is made for eligible employees on actual basis.
- Leave encashment and other retirement benefits are annually provided on actual basis.

7. REVENUE RECOGNITION:

- Sales are inclusive of excise duty.
- Warranty claims, short supplies, free replacements and liquidated damages are accounted for as and when they are finally determined.
- Goods purchased for supply in turnkey jobs are treated as trading goods and such goods are included in sale to the extent approved by the clients.
- Revenue from Turnkey Contract is accounted for on percentage of completion method.
- Claims for Extra /Substituted items are accounted for to the extent considered realizable.

8. INVESTMENTS:

- Current Investments are valued at lower of cost and fair value determined on an individual investment basis.
- Long term investments are carried at cost. Provision is made for diminution other than temporary in the value of such investments.

9. IMPAIRMENT OF ASSETS:

At each balance sheet date an assessment is made to ascertain whether any indication exists that an asset has been impaired. If any such indication exists then an impairment loss i.e. the amount by which the carrying amount of an asset exceeds its recoverable amount, is provided in the books of accounts.

10. BORROWING COST:

Borrowing Cost that is attributable to acquisition or construction of qualifying assets is capitalized as part of cost of such assets. Qualifying assets is one that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are charged to revenue.

11. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

- Provisions are recognized for liabilities that can be measured by using a substantial degree of estimation.
- No provision is recognized for liabilities whose future outcome cannot be ascertained with reasonable certainties and probability of outflow in settlement is remote. Such contingent liabilities are not recognized but are disclosed in the financial statements.
- Contingent Assets are neither recognized nor disclosed in the financial statements.

B. NOTES TO ACCOUNTS1) CONTINGENT LIABILITIES

Unexpired capital commitments for purchases of capital items ₹ NIL (Previous Year 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 ₹ 163.40 Lacs (previous year ₹ 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) Loan & Advances includes a sum of ₹ 1.33 lacs (previous year ₹ 1.33 lacs) are pending in appeal with excise department. (Schedule - 5 Balances with Excise & Service Tax Authorities)
- 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) Amount due to Micro, Small & Medium Enterprises NIL. (Previous Year -Nil)
- 10) Since Fixed Assets of the Company was not in use, depreciation for the year is not charged by the Company
- 11) Company has intended to sell the land & Building of Sikandrabad plant since earlier year and has received amount of advance from the prospective buyer but the ownership of that land has not been vested to buyer therefore the said assets are still appearing in the books of accounts of the Company.

**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. Consumption of Raw Material - Nil (Previous Year Nil)
- E. Break Up Of Consumption Of Material :
- |              |                           |
|--------------|---------------------------|
| - Indigenous | - Nil (Previous year Nil) |
| - Imported   | - Nil (Previous year Nil) |
- F. Installed Capacity - Nil

- 12) **RELATED PARTIES DISCLOSURES**  
As per Accounting Standard 18 "Related Party Transaction".

**A. List of Associates Companies:-**

- a) M/s. Tecon Projects Pvt. Ltd.
- b) M/s. Naveen Projects Ltd.
- c) M/s. Allied Metal & Engg. Works
- d) M/s. Kolsons Exims Pvt. Ltd.
- e) M/s. Pranav Comtech Pvt. Ltd.
- f) M/s. Vibros & Company.

**B. Key Management Personnel :-**

- a) Mr. Naveen Kohli (Director)
- b) Mr. Anil Sood (Director)

**C. Transactions with related Parties:**

|  |                     |                                      |
|--|---------------------|--------------------------------------|
| <b>a) <u>Tecon Projects Pvt. Ltd.</u></b>            |                     |                                      |
| <b>Particulars</b>                                   | <b>Current Year</b> | <b>(₹ In Lacs)<br/>Previous Year</b> |
| Transaction during the year -given (taken)           | 2.91                | 76.05                                |
| <b>Outstanding at year end Recoverable (Payable)</b> | <b>79.97</b>        | <b>77.06</b>                         |
| <b>b) <u>Naveen Projects Ltd.</u></b>                |                     |                                      |
| <b>Particulars</b>                                   | <b>Current Year</b> | <b>(₹ In Lacs)<br/>Previous Year</b> |
| Transaction during the year -given (taken)           | -----               | -----                                |
| <b>Outstanding at year end Recoverable (Payable)</b> | <b>35.07</b>        | <b>35.07</b>                         |
| <b>c) <u>Allied Metal &amp; Engg. Works.</u></b>     |                     |                                      |
| <b>Particulars</b>                                   | <b>Current Year</b> | <b>(₹ In Lacs)<br/>Previous Year</b> |
| Transaction during the year -given (taken)           | -----               | -----                                |
| <b>Outstanding at year end Recoverable (Payable)</b> | <b>(201.73)</b>     | <b>(201.73)</b>                      |
| <b>d) <u>Kolsons Exim Pvt. Ltd.</u></b>              |                     |                                      |
| <b>Particulars</b>                                   | <b>Current Year</b> | <b>(₹ In Lacs)<br/>Previous Year</b> |
| Transaction during the year -given (taken)           | -----               | -----                                |
| <b>Outstanding at year end Recoverable (Payable)</b> | <b>(3.00)</b>       | <b>(3.00)</b>                        |
| <b>e) <u>Vibros &amp; Co.</u></b>                    |                     |                                      |
| <b>Particulars</b>                                   | <b>Current Year</b> | <b>(₹ In Lacs)<br/>Previous Year</b> |
| Transaction during the year -given (taken)           | -----               | -----                                |
| <b>Outstanding at year end Recoverable (Payable)</b> | <b>(3.18)</b>       | <b>(3.18)</b>                        |
| <b>f) <u>Vidur Kohli</u></b>                         |                     |                                      |
| <b>Particulars</b>                                   | <b>Current Year</b> | <b>(₹ In Lacs)<br/>Previous Year</b> |
| Transaction during the year -given (taken)           | -----               | -----                                |
| <b>Outstanding at year end Recoverable (Payable)</b> | <b>(4.73)</b>       | <b>(4.73)</b>                        |

**D. Remuneration to key management personnel for the year and amount dues outstanding to The company: Current Year : Nil ( Previous Year Nil)**

**13) 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.

segments as required by Accounting Standard 17, issued by The Institute of Chartered Accountants of India.

14) **DEFERRED INCOME TAXES PERAS 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, " Accounting for Taxes of Income " issued by Institute of Chartered Accountants of India

15) **EARNING PER SHARE: -**

|                                 |          | <u>2010-11</u> | <u>2009-10</u> |
|---------------------------------|----------|----------------|----------------|
| Net Profit/ (Loss) for the year | (in ₹)   | (2, 22,080)    | 26, 61,150     |
| No. of Equity Share             | (in No.) | 5438800        | 5438800        |
| Nominal Value of equity share   | (in ₹)   | 10             | 10             |
| Basic Earnings per share        | (in ₹)   | (0.04)         | 0.49           |
| Diluted Earnings per share      | (in ₹)   | (0.04)         | 0.49           |

16) All amounts in the financial statements are presented in ₹ except otherwise stated. Figures of previous year have been re- grouped / re-arranged, wherever considered necessary

**FOR S.K.MEHTA & CO.  
CHARTERED ACCOUNTANTS**

Sd/-  
**(B. P. SAXENA)**  
PARTNER  
M.NO. 10568

Sd/-  
ANIL SOOD  
DIRECTOR

Sd/-  
NAVEEN KOHLI  
DIRECTOR

Place: - New Delhi.  
Date:- 02/09/2011

**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  | 31.03.2011              |                    |             |
| II.  | <b>Capital raised during the year (Amount ₹ in thousands)</b>                                     |                         |                    |             |
|      | Public Issue (Issue through Prospectus)   | : Nil                   | Rights Issue       | : Nil       |
|      | Bonus Issue   | : Nil                   | Private Placements | : Nil       |
| III. | <b>Position of Mobilization and Deployment of Funds (Amount ` in thousands)</b>                   |                         |                    |             |
|      | Total Liabilities   | : 1, 12,341             | Total Assets       | : 1, 12,341 |
|      | <b><u>Sources of Funds:</u></b>   |                         |                    |             |
|      | Paid up Capital   | : 54,122                | Reserves & Surplus | : Nil       |
|      | Secured Loans   | : Nil                   | Unsecured Loans    | : 21,885    |
|      | <b><u>Application of Funds:</u></b>   |                         |                    |             |
|      | Net Fixed Assets  | : 25,349                | Investments        | : Nil       |
|      | Net Current Assets  | : (18,935)              | Misc. Expenditure  | : Nil       |
|      | Accumulated Losses  | : 69,593                |                    |             |
| IV.  | <b>Performance of the Company (Amount Rs. in thousands)</b>                                       |                         |                    |             |
|      | Turnover/Income   | : 40                    | Total Expenditure  | : 262       |
|      | Profit (Loss) before Tax  | : (222)                 | Profit after Tax   | : (222)     |
|      | Earnings per share (in ₹)   | : (0.04)                | Dividend %         | : Nil       |
| V.   | <b>Generic Names of Three Principal Products/Services of the Company (as per monetary terms).</b> |                         |                    |             |
|      | 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      |                    |             |

**VIBROS ORGANICS LIMITED****CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011**

Amount in ₹

| Particulars                                  | 2011                | 2010         |                  |
|--|---------------------|--------------|------------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES:-</b> |                     |              |                  |
| Net Profit as per P&L A/c                    | (222,081)           | 2,661,150    |                  |
| <b>Add:-</b>                                 |                     |              |                  |
| Preliminary Expenses Written off             | -                   | 1,020,258    |                  |
| Advance Written off                          | -                   | 202,500      |                  |
| Increase in Current Liabilities              | 51,560              | 35,643,690   |                  |
| Decrease in Other Current Assets             | -                   | -            |                  |
| Decrease in Debtors                          | -                   | -            |                  |
| Decrease in Stock                            | - (170,521)         | - 39,527,598 |                  |
| <b>Less:-</b>                                |                     |              |                  |
| Term Loan written off.                       | -                   | 3,917,208    |                  |
| Decrease in Current Liabilities              | -                   | -            |                  |
| Increase in Debtors                          | -                   | -            |                  |
| Provision for Deferred Tax                   | -                   | -            |                  |
| Increase in Other Current Assets             | 338,150             | 11,694,813   |                  |
| Income Tax Paid                              | - 338,150 (508,671) | - 15,612,021 | 23,915,377       |
| <b>CASH FLOW FROM INVESTING ACTIVITIES:-</b> | -                   | -            | -                |
| <b>CASH FLOW FROM FINANCIAL ACTIVITIES:-</b> |                     |              |                  |
| Repayment Unsecured Loan                     |                     | 154,000      |                  |
| Repayment of Secured Loan                    | 69,755              | -            |                  |
| SBJJ   |                     | 7,600,000    |                  |
| PICUP  | - 69,755            | 12,558,460   | 20,312,460       |
| Surplus/ (Deficit)                           | (578,426)           |              | 3,603,117        |
| Cash & Cash Equivalents Opening              | 3,657,499           |              | 54,382           |
| <b>Cash &amp; Cash Equivalents Closing*</b>  | <b>3,079,073</b>    |              | <b>3,657,499</b> |

\* Cash &amp; Cash Equivalents Consist of Cash In Hand and balance with Bank

Previous year's figures have been regrouped / rearranged wherever necessary.

Cash Flow Statement is prepared in accordance with the indirect method prescribed in Accounting Standard (AS) 3 on 'Cash Flow Systems.'

As per our Report of even date attached

For on the behalf of Board of Directors

FOR S.K.MEHTA & CO.  
CHARTERED ACCOUNTANTS

Sd/-  
(B. P. SAXENA)  
PARTNER  
M.NO. 10568

Sd/-  
ANIL SOOD  
DIRECTOR

Sd/-  
NAVEEN KOHLI  
DIRECTOR

Place: - New Delhi.  
Date:- 02/09/2011



# **VIBROS ORGANICS LIMITED**

Regd. Office: C-34, Site C, Surajpur Industrial Area,  
Greater Noida 201306 (U.P.)