

## NOTICE

Notice is hereby given that the 18th Annual General Meeting of the members of VIBROS ORGANICS LIMITED will be held on Friday the 30th Day of September, 2005 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, 2005 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.

For and on behalf of the Board

For VIBROS ORGANICS LIMITED

  
(NAVEEN KOHLI)  
CHAIRMAN,

Place: New Delhi  
Dated: September 1, 2005

DEPARTMENT OF COMPANY AFFAIRS  
ROC CASH COUNTER RECEIPT  
OFFICE OF THE REGISTRAR OF COMPANIES

RECEIVED: 01/09/2005 09/01/2005  
REC. NO.: 20-021512 REG. NO.:

TYPE OF DOCUMENT	MODE OF PAYMENT	DATE OF DOCUMENT	AMOUNT RS.
G/R (CH-5)	DRAFT	29/09/2005	N 500
			A 1000
R/R (CH-4)	DRAFT	31/08/2005	N 500
			A 1000
TOTAL			3000
N: NORMAL FEE			A: ADDITIONAL FEE
COMPUTER SUPPORT BY INDUSTRY DIVISION N .C			

## 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 atleast 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 26th September, 2005 to 30th September, 2005 (Both days inclusive).

The documents as stated above are available for inspection of the members at the Registered Office of the company between 11:00 A.M. to 5:00 P.M. on all working days. upto the date of meeting.

For and on behalf of the Board

For VIBROS ORGANICS LIMITED

  
(NAVEEN KOHLI)  
CHAIRMAN

Place: New Delhi

Dated: September 1, 2005

## DIRECTORS' REPORT

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The Members

Yours Directors have pleasure in presenting the 18th Annual Report together with the Audited Statement of Accounts for the year ended March 31, 2005.

### A. FINANCIAL RESULTS

	Rupees in Lacs	
	2004-2005	2003-04
1. Sales and other income	00.37	00.26
2. Loss before interest, Depreciation and tax	12.80	12.79
3. Financial charges	00.11	00.07
4. Loss before depreciation	12.91	12.86
5. Dereciation	00.00	00.00
6. Loss before tax	12.91	12.86
7. Provision for tax	00.00	00.00
B. Loss after tax	12.91	12.86

### B. OPERATIONS

During the year under review the production could not be re-commenced. The Board of Directors are, however, taking steps to resume production at earliest. The plant for manufacture of ONCB/PNCB could not be commissioned during the current year also because of financial constraints being faced by the Company.

### C. SETTLEMENT/ RECONSTRUCTION OF TERM LOAN

The Company has submitted a proposal to State Bank of Bikaner and Jaipur for One Time Settlement (OTS) of its outstanding working capital, which is under active consideration.

### D. DIRECTORS

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

**E. 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.

**F. DIVIDEND**

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

**G. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors hereby make their responsibility statement:

i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

ii) appropriate accounting policies have been selected and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2005-2004 and of the profit or loss of the Company for that period;

iii) proper and sufficient care has been taken for the maintenance of accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) the annual accounts have been prepared on a going concern basis.

**H. 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 any foreign exchange expenditure.

## **I. DEPOSITS**

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

## **J. MANAGEMENT DISCUSSION AND ANALYSIS**

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### **Operations of the company:**

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Your company is having production facilities for manufacture of Nitro Aeromatic products namely Ortho Phenyle Di-amine, Para Phenyle Di-amine and Para Nitro Amine. Due to financial problems the company has not been in operation from the financial year 2001-02.

### **Future Outlook:**

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Before closing down its operations the company was manufacturing Ortho Phenyle Di-amine (OPDA) as the main product. However due to working capital shortage and due to the seasonal nature of product the plant had to be shut down from time to time resulting in losses. The management is now planning to re-start the operations and will now concentrate on the commercial production of the Para Phenyle Di-amine in which the profit margins are higher.

### **Opportunities and threats:**

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Your Company is only the one of its type in the Northern India. Your company looks at PFDA, a dye fintermediate as a product which will definitely revive fortunes of the company due to the higher margins which this product commands. During the year under review there has been higher demand than supply of this product.

#### Threats:

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The DPDA is an agro chemical intermediate item and its demand is of seasonal nature in the sense that there is less demand for three months in a year. There is also some threat from import from overseas suppliers.

#### Risk and concerns:

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The protectionist measures initiated by other countries may close down the scope of export which the management at times thought off as a solution to assure continuous production because there is less offtake for this product for about three months during the year in the domestic market.

#### Internal control systems and their adequacy:

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As already informed that the company is not in operation for the last about four years 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:

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Industrial relations during the year under review were cordial and peaceful. The company is still maintaining a skelton staff and is keeping them motivated for its plant to re-open the Unit in near future.

### K. CORPORATE GOVERNANCE CODE

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#### Corporate Governance Philosophy:

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The Company realises and acknowledges the disappointment which must have been felt by the shareholders, employees, financial institutions, bankers and also customers due to its continued closure for such a long period inspite of the manufacturing facilities which are there in place. Your company believes the re-start of its operations in near future with renewed vigour and the operations will continue to be based on high ethical standard integrity coupled with infailing commitment to certain core values like transparency, fairness in all dealings, honesty of purpose, quality consciousness and customer satisfaction.

#### Board of Directors:

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The company is managed by the Board of Directors, about 50% of whom are independent directors i.e. they have no business relationship with the company. None of the directors is a member of Committees or chairman of companies in which he is a director as prescribed under the Clause 49 of the Listing Agreement. Your Board of Directors is interested to induct more independent directors on the Board but due to financial problems and increased responsibility and liability no one is interested to take the charge in such a position.

#### Audit Committee:

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The Audit Committee was constituted on 30.04.2001. It reviews the audit reports submitted by the auditors. The role and powers of the said committee are as laid down in the Listing Agreement and Section 292A of the Companies Act, 1956. Four meeting were held during the financial year under review and all the meetings were attended by all the members.

#### Remuneration Committee:

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The Remuneration Committee was constituted on 31.01.2002. It consists of non-executive directors. None of the director is receiving any remuneration including the Chairman hence the the said Committee has no role to play as yet.

#### Shareholder/ Investor Grievance Committee:

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The company has constituted Shareholder/ Investor Grievance Committee under the Chairmanship of Shri Anil Sood, a non-executive director.

#### General Body Meeting:

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All the last three annual general meetings were held at the registered office of the Company at A-46, UPSIDC Industrial Area, Sikandrabad, Distt. Bulandshahr (U.P.). No special resolution was put through by postal ballot.

#### Disclosures:

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There are no materially significant related party transactions and also there was no penalty have been imposed by the Stock Exchanges or other statutory authority on any matter related to capital market.

General Shareholder information:

Date of Annual General Meeting	30.09.2005
Place of meeting	A-46, UPSIDC Industrial Area, Sikandrabad, Distt. Bulandsha- har (U.P.)
Financial year	2004-05
Book Closure	26th September, 2005 to 30th September, 2005 (Both days inclusive).

Listing at Stock Exchanges:

The U.P. Stock Exchange Association Ltd.  
The Stock Exchange, Mumbai  
The Delhi Stock Exchange Association Ltd.  
The Jaipur Stock Exchange Ltd.

Market Information:

Month	High	Low
April, 2004	-	-
May, 2004	-	-
June, 2004	-	-
July, 2004	-	-
August, 2004	-	-
September, 2004	-	-
October, 2004	-	-
November, 2004	-	-
December, 2004	-	-
January, 2005	-	-
February, 2005	-	-
March, 2005	-	-

Share transfer Agent:

Due to financial crises and the involvement of huge cost of having separate transfer agent the company does the transfer work in house.