

(8)

NOTICE OF ANNUAL GENERAL MEETING

To all the members

Notice is hereby given that 21st Annual General Meeting of the members of M/s Gupta Fibres Limited will be held on Saturday the 29th day of September, 2007 at 10:00 A.M. at the registered office of the company at Ajnala Road, Opposite Petrol Pump, Amritsar to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the company as at 31st March, 2007 and Profit & Loss Account for the year ended on that date together with the report of Auditors and Directors thereon.
2. To elect Shri Manu Gupta director of the company who retire by rotation and being eligible for reappointment offers himself for same.
3. To consider declaration of dividend; directors recommend NIL dividend.
4. To appoint statutory auditors and to fix their remuneration.

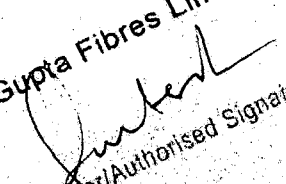
By order of the Board of Directors
For Gupta Fibres Limited

Dated : 27.08.2007
Place : Amritsar

Sd/-
Moti Lal Gupta
Director

NOTE :-

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF WHO MAY OR MAY NOT BE MEMBER OF THE COMPANY
2. Proxy should be lodged not less than 48 hours before the commencement of the meeting.
3. Members are requested to bring their copies of Annual Report.
4. Queries, if any, on annual accounts must reach the registered office of the company at least 7 days before the date of Annual General Meeting.
5. The Register of members and share Transfer Books of the company will remain closed from 29.09.2006 to 30.09.2006
6. All requests for transfer of shares and allied matters should reach at its registered office at Ajnala Road, Opposite Petrol Pump, Amritsar-143002.

For Gupta Fibres Limited

Director/Authorised Signatory

Report of the Board of Directors

To the members:

Your Directors feel pleasure in presenting the Annual Report together with audited accounts of the company for the year ended 31st March, 2007

1. FINANCIAL RESULTS

The Financial Results of the company are as under:

(Rs.in Lacs)		
PARTICULARS	2007	2006
Sales & Others	07.59	03.84
Loss before depreciation and tax	03.07	08.89
Depreciation	NIL	NIL
Loss after tax and depreciation	03.07	08.89
Loss brought forward	357.53	348.64
Balance carried to balance sheet	362.31	357.53

2. CURRENT OPERATIONS AND FUTURE PROSPECTS

Due to continuous recessionary conditions and past losses , the company has not been able to do any significant business. In the current year the signs of recovery are not seen. The company has done nominal trading in textile with the hope that it will be able to significantly develop it in future.

3. DIVIDEND

The directors have not proposed any dividend during the year in view of losses made during the year.

4. DIRECTORATE

Shri Manu Gupta director of your company are retiring by rotation at the ensuing annual general meeting and they being eligible for reappointment have offered himself for the same.

5. AUDITORS AND AUDITORS' REPORT

The Auditors of the company M/s Sandeep K. Sharma & Associates, Chartered Accountants, hold office until the conclusion of ensuing Annual General Meeting. The Company has received letter to the effect that their appointment, if made, would be within the prescribed

limits under section 224(1) of the Companies Act, 1956. The comments made by the Auditors in their report are primarily on account of financial difficulties being faced by the company. Due to paucity of fund and due to continuous recessionary conditions and past losses, the company has not been able to do significant business.

6. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors state

- (i) That in the preparation of the annual accounts, the applicable accounting standards have been followed. Also there has been no departure from the accounting standards;
- (ii) That the directors have selected such accounting policies and applied them consistently and made judgements 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 and of the profit and loss of the company for that period;
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate 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) That the directors have prepared the annual accounts on a going concern basis.

7. LISTING AGREEMENT

Pursuant to Clause 32 of the listing Agreement with Stock Exchanges, it is stated that, the company is listed at the Stock Exchange of Ludhiana, New Delhi & Mumbai. The trading of the shares of the company is under suspension for non payment of listing fees, the Company is unable to generate the enough Fund flows after going into red and is currently a sick unit.

Pursuant to clause 49 of the Listing Agreement with Stock Exchanges, a separate report on Corporate Governance is annexed to Directors' Report.

8. AUDIT COMMITTEE

The audit committee comprises of S/Shri Moti Lal Gupta Bladev Singh and Manu Gupta Directors of the Company which meets the requirements of Section 292A of the Companies Act, 1956. The terms of reference were as contained in the Listing Agreement.

9. CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO.

The Company is exempted from rules made under Companies (Disclosure of particulars in the report of Board of Directors) rules 1988 hence Form no. A & B is not given.. The company also did not earn or have any outgo of Foreign exchange.

**10. INFORMATION UNER SECTION 217(2A) OF THE COMPANIES ACT, 1956
READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975.**

No employees received salary exceeding the amount mentioned in the above said rules.

11. EMPLOYMENT OF FULL TIME COMPANY SECRETARY

The Company has once again advertised in the News paper regarding appointment of Whole time Company Secretary at its Registered office. However, no application for such post received by the Company.

12. APPRECIATION

The company places on record the continue patronage of its shareholders, Government agencies, Bankers, Supplier and Customers of the Company. The company would like to thank its employees for its excellent performance in their respective duties.

On the Behalf of Board of Directors,

Sd/-

Moti Lal Gupta
Baldev Singh

Place: Amritsar
Dated: 27.08.2007

REPORT ON CORPORATE GOVERNANCE

Introduction

The importance of Corporate Governance lies in its contribution both to Business prosperity and accountability. The Board fully supports the basic tenants of the Corporate Governance as the prudent exercise of the tenets of the Corporate Governance as the prudent exercise of the Management rights in the best of interests of all stakeholders, more particularly its Shareholders & Employees.

1. Constitution of Board as on 31.03.2007

Non Executive Directors

Sh.Moti Lal Gupta
Sh. Manu Gupta
Sh. Baldev Singh

2. Board Meetings

Eight Board Meetings were held during the year on 29/04/2006, 27/05/2006, 30/06/2006, 01/07/2006, 26/08/2006, 30/09/2006, 28/10/2006, 06/11/2006, 18/11/2006, 30/12/2006, 27/01/2007, 05/02/2007, 28/02/2007 and 31/03/2007

The attendance record of the Directors for the Board meetings (BM) / Annual general Meetings (AGM) HELD DURING THE Financial year ended 31st March 2007 is as under:

Name	Board Meetings	Last AGM
Sh. Moti Lal Gupta	14	YES
Sh. Baldev Singh	14	YES
Sh.Manu Gupta	12	YES

3. Share Transfer cum Shareholders' Grievance

The Company has constituted Share – Transfer Committee to approve transfer/ transmission of Shares issued by the Company. During the Financial year, the Committee held Seven meetings. A Summary of Complaints received and resolved by the Company during the Year ended 31st March, 2007 is given below:

	Received	Cleared
Non receipt of Share Certificate duly transferred	08	08
Non receipt of Dividend Warrants	N.A.	N.A.
Miscellaneous	NIL	NIL
Letter from SEBI, Stock Exchanges And Department of Company Affairs.	1	1

The following officer of the Company is responsible for Share Transfers and other related matters.

Sh. Moti Lal Gupta

4. Audit Committee

As a measure of good Corporate Governance and to provide assistance to Board of Directors in fulfilling the Board's oversight responsibilities, an audit committee had been constituted by the board comprising of three directors namely S/Shri Moti Lal Gupta, Baldev Singh and Manu Gupta Directors of the Company which meets the requirements of Section 292A of the Companies Act, 1956. The terms of reference were as contained in the Listing Agreement. The Audit committee inter alia reviews:-

- Quarterly and Annual Financial Results
- Annual Budget and Variances Report

5. Directors' Remuneration

As the Company is running in losses . Nil remuneration is paid to any directors of the Company for the year ended 31st March, 2007. Further the company did not pay sitting fees to its Non Executive Directors.

6. General Body Meetings

Location and time of Last three meetings is as under:

Year	Date	Venue	Time
2006	30/09/2006	Registered Office	10.00AM
2005	30/09/2005	Registered office	10.00AM
2004	30.09.2004	Registered office	10.00AM

7. Disclosure

There was no transactions of a material nature with the Directors or the Management or relatives of the Directors during the Financial Year of the Company.

8. Means of Communication

Though the Quarterly results of the Company stood taken on record and approved by the Board of Directors, the same could not be published in the Newspaper(s) due to the paucity of the funds as the advertisement / publications costs are very high. Further as the Company did not pay its listing fees, its shares are not being actively quoted on Stock Exchange.

9. GENERAL Shareholders Information

Annual General Meeting (AGM)

Day Saturday
Date & Time 29th September, 2007 at 10 AM

Venue

Registered office

Book Closure Date 28th September 2007 to 29th September 2007
Financial Period 1st April, 2006 to 31st March, 2007

10. Categories of issued & Subscribed Shareholding as on 31.03.2007

Category	No. of Shares	Percentage of total Shares
Promoters & Associates	153930	3.82%
Private Corporate Bodies	391600	9.71%
Indian Public	3486450	86.47%
Non Resident Indians(NRI)	NIL	Nil
	4031980	100%

11. Stock Exchange

The Company is listed at Stock Exchange , Ludhiana, New Delhi & Mumbai. The trading of Shares of the Company is under Suspension for Non Payment of Listing fees, the Company is unable to generate the enough funds.

12. Dematerialization of Shares & Liquidity:

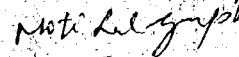
Due to paucity of Fund the Company could not initiate steps to dematerialize its equity Shares.

Address for Correspondence:

Registered office: Ajnala Road, Opp. Petrol Pump, Amritsar.

Place: Amritsar.
Date: 27.08.2007

For & on behalf of Board



Moti Lal Gupta
Manu Gupta

AUDITOR'S REPORT

To

The Members

Gupta Fibres Limited,

1. We have audited the attached Balance Sheet of **GUPTA FIBRES LIMITED, AMRITSAR**, as at 31ST March 2007, and also Profit & Loss Account for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date. 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 conducted our audit in accordance with the accounting 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors 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 in the matters specified in Paragraph 4 and 5 of the said order.
4. Further to our comments in the annexure referred to above, we report as under:
 - a) We have obtained all information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet and Profit and Loss Account as dealt with by this report are in Agreement with the Books of Accounts.
 - d) In our opinion, the Balance Sheet and the Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in section 211(3c) of the Companies Act, 1956.
 - e) As informed to us and taken in record by Board, no Director of the Company is disqualified from being appointed as a Director under clause (g) of sub section (1) of Section 274 of the Companies Act, 1956

Sandeep K. Sharma & Associates

Chartered Accountants,
125, M.B.D. Market, G.T. Road, Jalandhar.
Ph. 0181- 5074304

- f) In our opinion, to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon, give the information required by the Companies Act, 1956 in manner so required and ***subject to Financial Notes No. 2 of schedule 14 regarding 'Going Concern' and valuation of inventories; note no. 7 in schedule 14 regarding non confirmation of Balances and note no. 8 of schedule 14 regarding non provision of doubtful advances respectively*** give the information required by the Companies Act, 1956 in manner so required and give a true and fair view
- i. In case of Balance Sheet of the State of Affairs of the Company as on 31st March, 2007
 - ii. In case of Profit and Loss account of the Profit for the Year ended on that date.
 - iii. In the case of the Cash Flow Statement, of the Cash Flow for the year ended on that date

SANDEEP K. SHARMA & ASSOCIATES

Place: Jalandhar
Dated: 27.08.2007

(Sandeep K. Sharma)
PROP.

ANNEXURE TO THE AUDITOR'S REPORT

Annexure referred to in paragraph 1 of our Report to the Shareholders of Gupta Fibers Limited on the accounts for the year ended 31st March, 2007

As required by the Companies (Auditor's Report) Order, 2003 issued by the central Government and on the basis of such checks of the Books and Records of the Company as we considered appropriate and the information and explanation given to us during the course of our Audit, we further state as under:

- (i) Company is maintaining proper records showing full particulars including quantitative and situation of fixed assets.

As Explained to us, Management has physically verified them at reasonable intervals and no material discrepancies were noticed on such verification.

The Company has sold/written off/disposed off substantial part of fixed assets and, in our opinion, the going concern status of the Company is affected as the Company is neither carrying any manufacturing activity neither doing any substantial trading business as in the earlier years.

- (ii) As explained to us, the stock of finished goods, stores, spare parts and raw materials with the Company were physically verified by the management at reasonable intervals.
- (a) In our opinion the procedure of physical verification of stocks followed by the management is reasonable and adequate in relation to the size of the Company and nature of its business
- (b) The discrepancies noticed on such verification, as compared with the books and records, were not significant and the same have been properly dealt within the books of accounts. .
- (C) The company has not granted any loans, secured or unsecured, from companies, firms or other Parties covered in the register maintained under section 301 of the Companies Act, 1956. As the Company has not granted any loans, secured or unsecured from/to parties listed in the register maintained under section 301 of the companies Act, 1956 the provisions of the clauses iii(b), iii(c) and iii (d) iii (e) iii (f) iii (g) of Paragraph 4 of the Order are not applicable.
- (iii) In our opinion and according to the information and explanations given to us, there is adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purchase of Inventory and fixed Assets and for the Sale of Goods and services. The company is

- however, maintaining huge cash balances.
- (v) a) According to the information and explanation given to us, there was no contract or arrangement during the year needed to be entered in the register maintained under Section 301 of the Companies Act, 1956
b) The Company has not conducted transactions during the year in respect of the Party in pursuance of Contracts or arrangement entered in register maintained under section 301 of the Companies Act, 1956.
 - (vi) The company has not accepted any deposit from the public during the year, hence provision of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956.
 - (vii) In our opinion internal control procedures commensurate with the size of the company and the nature of its business although no separate internal audit department is functioning.
 - (viii) As explained to us and as far as we are aware, The central government has not prescribed maintenance of cost records u/s 209(1)(d) of the Companies Act, 1956 in respect of the activities carried on by the Company.
 - (ix) a) As per the records of the *Company is generally irregular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty Cess and any other material statutory dues with appropriate authorities.*
b) *According to the information and explanations given to us, no undisputed amounts payable in respect of Sales tax, Income tax, Customs duty, Excise Duty, Wealth Tax, Service Tax and Cess were in arrears except ESI amounting to Rs. 0.10 Lacs that has not been deposited with the appropriate authorities till date of this report.*
 - (x) **Accumulated Losses at the end of the financial year have exceeded fifty percent of the net worth of the company. Further the company has also incurred cash losses during the financial year covered by our audit and as well in the immediately preceding financial year.**
 - (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues of financial institutions or Banks or debenture holders.
 - (xii) The company has not granted loans and advances on the Basis of Security by way of pledge of shares, debentures and other securities
 - (xiii) In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the companies (Auditor's Report) order, 2003 are not applicable to the company.

Sandeep K. Sharma & Associates,

Chartered Accountants,
125, M.B.D. Market, G.T. Road, Jalandhar.
Ph. 0181- 5074304

- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4(xiv) of the companies (Auditor's Report) order, 2003 are not applicable to the company
- (xv) The company has not given guarantees for loans taken by others from banks or financial institutions.
- (xvi) The company has not applied for or raised any term loan during the year.
- (xvii) The company has not raised any funds during the year.
- (xviii) According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of Act.
- (xix) Company has not issued any debentures. Therefore provisions of clause 4(xix) of the companies (Auditor's Report) order, 2003 are not applicable to the company.
- (xx) The company has not made any public issue during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

SANDEEP K. SHARMA & ASSOCIATES

Place: Jalandhar
Dated: 27.08.2007

(Sandeep K. Sharma)
Prop.

FINANCIAL NOTE NO. 14

ACCOUNTING POLICIES & NOTES ON ACCOUNTS

1. Accounting Policies:
 - a) The accounts of the Company are prepared under the Historical Cost Convention and in accordance with applicable accounting Standards except otherwise Stated. Though there are substantial losses resulting in loss of substantial net worth of the Company, the accounts are being prepared on 'going concern basis'.
 - b) Inventory Valuation:
 - i Raw Materials, Consumable, Stores & Spares at cost price.
 - ii Finished Goods at cost of production or at realizable value by applying accepted cost methods.
 - c) Fixed Assets:

Fixed Assets are valued at cost less accumulated depreciation. The cost of the asset comprises its purchase price and any directly attributable cost of bringing the assets into working condition for its intended use
 - d) Depreciation:

Depreciation on fixed assets is being provided on the fixed assets on straight line method at the rates prescribed under schedule XIV of the Companies Act, 1956 on pro rata basis.
 - e) Gratuity:

Gratuity is accounted for on payment basis. The company does not have any outstanding liability on account of gratuity as on 31.03.2007.
2. ***Despite huge loss resulted in complete erosion of worth of the Company, resulting in business of the company having suffered irreparably the accounts for the year have been prepared on the assumption of "Going Concern". This reflects adversely upon the true & fair view of the accounts. The company did not have any significant involvement in the operations of its main object i.e manufacturing of woollen yarn. Further, the company has suffered substantial losses in the disposal of obsolete stock of Raw Material (Waste) and finished goods (woollen yarn). No significant business activity was carried out during the year.***
3. Contingent Liabilities not provided for NIL (NIL)
4. Sales tax liability has been provided for as per the return filed with the Sales Tax Department. Additional Liability, if any, arising at the time of assessment, shall be provided at the time of arising of such liability.
5. ***Sale tax authorities have assessed an additional demand of Rs. 86368 for the Assessment Year 1992-93, which was deposited by the company under protest. Appeal has been filed against this order on the basis of legal advice that the demand is not tenable. However, the company recovered sales tax of Rs. 8079 during the year 1993-94 and the balance amount is shown as receivable from the sales tax authorities. A sum of***

Rs. 215000.00 levied as penalty u/s 14-B (7) of Punjab General Sales Tax Act, 1948 is being contested in appeal against which the company has deposited a sum of Rs. 170000.00 (170000.00) as security.

6. In terms of Accounting Standard (AS 22), 'Accounting for Taxes on Income', the Company had determined deferred tax asset as on 31.03.2007. However same has not been recognized in view of uncertainty of future taxable income. In the absence of taxable Income, no provision for taxation is required to be made as on 31.03.2007
7. In view of the administrative and functional constraints confirmation of Balances are not obtained from debtors /creditors and also for loans and advances
8. In the opinion of Board of Directors "Current Assets, Loans and Advances" have been Valued on realization in ordinary course of business, at least, equal to the amount at which they have been stated in the Balance Sheet except stated otherwise. However, the company has suffered substantial losses in the disposal of obsolete stock of Raw Material (Waste) and finished goods (woolen yarn) during preceding years.
9. The company has not received information from any of the supplier being a small Scale industrial unit. Hence, the amount due to small scale Industrial Unit outstanding as on 31.03.2007 are not ascertainable.
10. There are no separate reportable segments under Accounting Standard -17 - "Segment Reporting".
11. As per the Accounting Standard -18 "Related Party Disclosures" issued by the institute of The Chartered Accountants of India, The names of the related Parties are given below:
Names of Related Parties Key Management Personnel:
i) Sh. Moti Lal Gupta
ii) Sh. Manu Gupta
iii) S. Baldev Singh
However, during the year, no transactions were carried out with them.
12. Earning per Share (EPS) in terms of Accounting Standard -20 issued by the Institute of Chartered Accountants of India, the calculation of EPS is given Below

Particulars	2005-06	2006-07
i) Profit as per P & L Account	(-) 889270	(-) 477800
ii) Weighted Average No. of Equity Shares Outstanding during the year	4031980	4031980
iii) Earning per Share	--	--

13. Figures are rounded off to the nearest of Rupees and the previous year figures are regrouped/recasted and rearranged wherever considered necessary.
14. Additional Information pursuant to provisions of Part II of Schedule VI OF THE

Sandeep K. Sharma & Associates,

Chartered Accountants,
125, M.B.D. Market, G.T. Road, Jalandhar.
Ph. 0181- 5074304

Companies Act, 1956.

Year Ended

31/03/2007

- a) Licensed Capacity. (Tons)
b) Installed Capacity. (Tons)
c) Actual Production
d) Particulars in respect of Production
Purchases, Sales and Stocks of Raw
Material and Finished Goods:

Nil*

Nil*

Nil*

* as certified by management

(Value 'in Lac Rs.)

Class of Goods	Opening Stock		Purchases		Sales		Closing Stocks	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Finished Cloth (Mts) 2007 (Mtrs)	28322.55	17.75	--	--	10842.55	7.59	17480.00	10.96
2006	33212.55	20.82	--	--	4890	3.04	28322.55	17.75

* Figures provided by the Company and certified by the Directors.

- g) Value of Import on CIF Basis. (Rs.)
Capital Goods. NIL NIL
Raw Materials. NIL NIL
h) Expenditure in Foreign Currency (in US\$) Nil NIL
i) Earnings in Foreign Currency. Nil NIL
j) Value of Raw Material Consumed Imported. Nil NIL

* Previous Year Figures are given in brackets.

Place:
Jalandhar

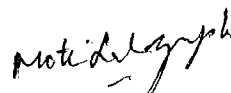
"As per our report of even date For and on Behalf of Board of Directors,
attached" Gupta Fibres Limited

For Sandeep K. Sharma & Asso.

Dated:
27.08.2007

Chartered Accountants,

(Sandeep k. Sharma)
Chartered Accountant



(Moti Lal Gupta)
Director

(Baldev Singh)
Director

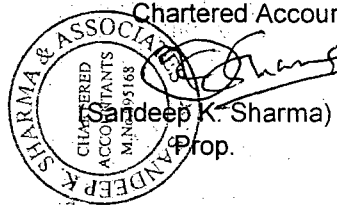
GUPTA FIBRES LIMITED
Balance Sheet As At 31st March, 2007

Particulars	Financial Note No.	31.03.2007	31.03.2006
SOURCES OF FUNDS			
1 SHAREHOLDERS' FUND:			
a Share Capital	1	39,481,800.00	39,481,800.00
2 LOAN FUNDS	2		
a Unsecured Loans		830,876.00	925,876.00
TOTAL		40,312,676.00	40,407,676.00
B APPLICATION OF FUNDS			
1 Fixed Assets:-	3		
a Grass Block		-	-
b Less: Accumulated Depreciation		-	-
c Net Block (a-b)		-	-
INVESTMENTS	4	97,300.00	97,300.00
2 CURRENT ASSETS, LOANS & ADVANCES			
Current Assets :			
a Inventories	5	1,095,821.00	1,775,540.00
b Cash and Bank Balances	6	40,164.00	98,254.00
Loans & Advances		3,064,525.00	2,959,526.00
		4,200,510.00	4,833,320.00
4 Less: Current Liabilities & Provisions			
a Current Liabilities	8	216,342.00	276,352.00
5 Net Current Assets (3-4)		3,984,168.00	4,556,968.00
6 PROFIT & LOSS ACCOUNT		36,231,208.00	35,753,408.00
TOTAL		40,312,676.00	40,407,676.00

10.95

For Gupta Fibres Limited
Director/Authorised Signatory

As per our report of even date
For Sandeep K. Sharma & Associates
Chartered Accountants



For and on Behalf of The Board

Moti Lal Gupta
Director

Baldev Singh
Director

Place : Jalandhar
Dated : 27.08.2007

GUPTA FIBRES LIMITED

Profit & Loss Account for the year ending 31st March, 2007

Particulars	Financial Note No.	31.03.2007	31.03.2006
INCOME			
Sales	9	758,979.00	384,445.00
Profit on sale of Fixed Assets		-	-
Other Income	10	-	-
Increase(Decrease) in stock of Finished Goods	11	(679,719.00)	(306,460.00)
TOTAL		<u>79,260.00</u>	<u>77,985.00</u>
EXPENDITURE			
Purchase of Finished Goods		-	-
Manufacturing, Administrative, Selling and Other Expenses	12	386,175.00	730,754.00
Financial Expenses	13	885.00	236,501.00
Depreciation		-	-
TOTAL		<u>387,060.00</u>	<u>967,255.00</u>
Loss for the Year		307,800.00	889,270.00
Extraordinary Items:			
Assets Written off		170,000.00	-
Provision/Diminution in value of Investments			
Net Loss		<u>477,800.00</u>	<u>889,270.00</u>
Add: Deficit Balance brought forwards from last year		35,753,408.00	34,864,138.00
Balance of Loss carried to the Balance Sheet		<u>36,231,208.00</u>	<u>35,753,408.00</u>
Notes to the Account and Significant Accounting Policies:	14		

For Gupta Fibres Limited
Director/Authorised Signatory

The Financial Notes referred to above form an integral part of the Profit and Loss Account.

Place : Jalandhar
Dated : 27.08.2007

As per our report of even date
For Sandeep K. Sharma & Associates
Chartered Accountants
(Sandeep K. Sharma)
Prop.

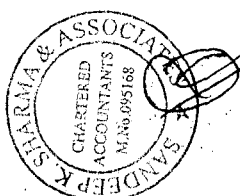
For and on Behalf of The Board

Moti Lal Gupta
Director

Baldev Singl
Director

GUPTA FIBRES LIMITED
Financial Notes Annexed to and Forming Part Of The Accounts
For The Year Ended 31st March, 2007

Financial Note No	31.03.2007	31.03.2006
1 SHARE CAPITAL		
<u>Authorised:-</u>		
5000000 Equity Shares of Rs. 10 each	50,000,000.00	50,000,000.00
TOTAL	50,000,000.00	50,000,000.00
<u>Issued, Subscribed & Paid Up:-</u>		
4031980 Equity Shares of Rs. 10/- each		
fully paid up.	40,319,800.00	40,319,800.00
Less:- Unpaid Calls	838,000.00	838,000.00
TOTAL	39,481,800.00	39,481,800.00
2 LOAN FUNDS:		
UNSECURED LOAN		
Interest Free Loans from:		
Industries Department, Punjab, against guarantee of		
Punjab State Industrial Development Corporation Limited,		
Chandigarh	830,876.00	925,876.00
TOTAL	830,876.00	925,876.00
3 INVESTMENT (QUOTED)		
a) 10000 (10000) Equity shares of Rs. 10/-		
each fully paid up of Amrut Credit Corporation Limited	10,000.00	10,000.00
b) 87300 (87300) Equity shares of Rs. 10/-		
each fully paid up of Gupta Carpets International Limited	87,300.00	87,300.00
TOTAL	97,300.00	97,300.00
Cost of Quoted investment	2,350,000.00	2,350,000.00
Market Value of Quoted investment	88,110.00	88,110.00
<p>Note:- Upto the earlier year investment were stated at cost and no provision was made for all in their market The Investments are now being shown at the reduced notional figure of Rs. 1/- per share after provided for diminution in their value.</p>		
INVENTORIES		
(Valued at cost or market price whichever is lower and as		
certified by the Directors of the Company)		
Raw Material (Waste)		
Finished Goods	1,095,821.00	1,775,540.00
TOTAL	1,095,821.00	1,775,540.00
5 CASH & BANK BALANCES:-		
a) Cash and Stamps in Hand	7,186.00	94,831.00
BALANCE WITH SCHEDULE BANK:		
b) Current Account	32,978.00	3,423.00
TOTAL	40,164.00	98,254.00
6 LOANS & ADVANCES		
(Unsecured - Considered Good)		
Security Deposits		
Advance Income Tax & TDS		



(Unsecured - Considered Doubtful)

Advances recoverable in cash or in kind or for value to be received

3,064,525.00

2,959,526.00

TOTAL

3,064,525.00

2,959,526.00

7 CURRENT LIABILITY

Sundry Creditors for goods, services & other expenses

216,342.00

276,352.00

TOTAL

216,342.00

276,352.00

8 SALES

Sale of Finished Goods

758,979.00

304,445.00

Other Receipts/adjustments

80,000.00

TOTAL

758,979.00

384,445.00

9 OTHER INCOME

Interest Received

TOTAL

-

-

10 INCREASE/ DECREASE IN STOCK OF FINISHED GOODS

Closing Stock

1,095,821.00

1,775,540.00

Less:- Opening Stock

1,775,540.00

2,082,000.00

TOTAL

(679,719.00)

(306,460.00)

11 INCREASE/ DECREASE IN STOCK OF RAW MATERIAL

Closing Stock

-

-

Less:- Opening Stock

-

-

TOTAL

-

-

12 MANUFACTURING, ADMINISTRATIVE, SELLING AND OTHER EXPENSES:

Wages & Salaries (Including Rs. Nil to Directors)

120,000.00

120,000.00

Telephone, Taxes & Postage

125,625.00

55,000.00

Legal & Professional Charges, Rates, Taxes & Fees

3,550.00

1,000.00

Rent Paid

72,000.00

-

Bad Debts w/off

-

385,200.00

Printing & Stationery

55,000.00

128,200.00

Payments to Auditors

-

-

For Audit Fees

10,000.00

10,000.00

For Other Services

-

-

Penalties

-

31,354.00

TOTAL

386,175.00

730,754.00

3 FINANCIAL EXPENSES

Bank Commission & Charges

885.00

625.00

Interest to IFL

-

235,876.00

TOTAL

885.00

236,501.00

Place : Jalandhar

Dated : 27.08.2007

As per our report of even date

For Sandeep K. Sharma & Associates

Chartered Accountants

For and on Behalf

of the Board

(Sandeep K. Sharma)

Prop.

Moti L Gupta

Director

Baldev Singh

Director

GUPTA FIBRES LTD.
CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2007

Sr. No.	Particulars		31.03.2006
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net profit/(Loss) before tax & extraordinary items	(4.78)	(8.89)
	Depreciation	-	-
	Adjustment for :		
	Loss on Sale of Fixed Assets	-	-
	Adjustment for diminution in Investments	-	-
	Sale / Adjustment of Fixed Assets	-	-
	Operating Profit before working Capital Changes	(4.78)	(8.89)
	Adjustment for		
	Current Assets	5.75	9.85
	Current Liabilities	(0.60)	(0.49)
	Cash Generated from operations	5.15	9.36
	Net Cash Generated from operating Activities	0.37	0.47
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Sale / (Decrease) in Investments	-	-
	Sale / Adjustments in Fixed Assets	-	-
	Sale of Fixed Assets	-	-
C	CASH FLOW FROM FINANCIAL ACTIVITIES		
	Proceeds from issue of Share Capital	-	-
	Loans Borrowed (Net of Repayments)	(0.95)	(0.10)
	Net Cash from Financing Activities	(0.95)	(0.10)
	Net Increase / Decrease in Cash and Cash		
	Equivalents	(0.58)	0.37
	Cash and Cash Equivalent at the beginning of the		
	Year	0.98	0.61
	Cash and Cash Equivalent at the Close of the		
	Year	0.40	0.98

For and on Behalf of The Board

Moti L Gupta
Moti L Gupta

Director

Baldev Singh
Director

AUDITORS' CERTIFICATE

We have examined the attached cash flow statement of M/S Gupta Fibres Limited for the year ended 31.03.2007. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of Listing agreements with various stock exchanges and is based on and is in agreement with the corresponding Balance Sheet of the Company covered by our report dated 27.08.2007 to the members of the company.

Place Jalandhar
Dated : 27.08.2007

For Gupta Fibres Limited
Sandeep K. Sharma
Director/Authorised Signatory

For Sandeep K. Sharma & Associates
Chartered Accountants



(Sandeep K. Sharma)
Prop.