

GUPTA FIBRES LIMITED

Registered Office:- Ajnala Road, Opposite Petrol Pump, Amritsar - 143001

NOTICE OF ANNUAL GENERAL MEETING

To

The Members,

Notice is hereby given that the Annual General Meeting of the members of Gupta Fibres Limited will be held at its Registered Office Ajnala Road, Opposite Petrol pump, Amritsar, on Tuesday, the 30th day of September, 2008, at 11:00 A.M. to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Balance Sheet as at March 31, 2008 and the Profit & Loss Account for the year ended on that date along with the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Baldev Singh, who retire by rotation and being eligible, offers himself for reappointment
3. To consider and if thought fit, to pass with or without modification (s), the following resolution for appointment and fixation of the remuneration for the Statutory Auditors for the Financial Year 2008-2009 as Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 224 of the Companies Act, 1956, M/s Sharma Jain & Co, be and is hereby appointed as the Statutory Auditor of the Company for the Financial Year 2008 - 2009 to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at a remuneration to be decided by Board of Directors."

By order of the Board

Place: Amritsar
Dated: September 01, 2008

Moti Lal Gupta
(Director)

NOTES:-

1. A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote instead of himself. The proxy need not be a member of the company. Proxy form is attached herewith. Proxy form should be deposited with the company at its registered office at least 48 hours prior to the meeting.
2. The register of members and share transfer shall remain closed from 29/09/2008 to 30/09/2008

For Gupta Fibres Limited
[Signature]
Director/Authorised Signatory

GUPTA FIBRES LIMITED

Registered Office:- Ajnala Road, Opposite Petrol Pump, Amritsar - 143001

DIRECTORS REPORT

To
The Members,

Your Directors have pleasure in presenting the Annual Report along with the audited statement of Accounts for the year ended on 31st March, 2008.

FINANCIAL RESULTS

ITEM	As on 31 st March, 2008 (Rs. in lacs)	As on 31 st March, 2007 (Rs. in lacs)
Sales & other Income	03.07	07.59
Loss before depreciation and tax	03.35	03.07
Depreciation	NIL	NIL
Loss after tax and depreciation	03.35	03.07
Loss brought forward	362.31	357.53
Balance carried to balance sheet	363.94	362.31

CURRENT BUSINESS OPERATIONS & FUTURE OUTLOOK

During the year, the Company has not been able to do any significant business due to continued recessionary conditions and past losses. However normal trading in the textile was sustained and now the Company is looking forward for significant development this coming year as the promoters of the Company are in the process of transferring the control to the new promoters and your company would soon be entering into the new business activities.

DIVIDEND

The board regrets their inability to recommend any dividend to their shareholders.

DIRECTORS' RESPONSIBILITY STATEMENT

As per the requirement of section 217(2AA) of the Companies Act, 1956 with respect to Directors' responsibility statement, it is confirmed:

1. That in the preparation of the accounts for the financial year ended 31st March, 2008 the applicable accounting standards have been followed along with proper explanations relating to material departures;

GUPTA FIBRES LIMITED

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2. That the Directors' have selected such accounting policies & applied them consistently & made judgments & estimates that were reasonable & prudent so as to give a true & fair view of the state of affairs of the Company at the end of the financial year.

3. That the Directors have taken proper & 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 & for preventing & detecting fraud & other irregularities.

4. That the Directors' have prepared the accounts of the Company for the financial year ended 31st March, 2008 on a going concern basis.

DEPOSITS

The Company has not accepted any deposits under Section 58A of the Companies Act, 1956 during the year under review

DIRECTORS

Shri Baldev Singh, Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

PARTICULARS OF EMPLOYEES:

During the financial year under review, none of the Company's employee was in receipt of remuneration as prescribed under section 217(2A) of the Companies Act, 1956 read with The Companies (Particulars of Employees) Rules, 1975, and hence no particulars required to be disclosed in this report.

THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

Conservation of Energy:

Since the Company is not carrying on any business, therefore no step has been taken in this regard.

Research & Development activity and Absorption of Technology:

N.A.

Foreign Exchange-Earning /Outgo: Nil

AUDITORS

GUPTA FIBRES LIMITED

Registered Office:- Ajnala Road, Opposite Petrol Pump, Amritsar - 143001

The existing auditors M/s Sandeep K. Sharma & Associates have expressed their inability to continue as statutory auditor for the financial year 2008-09. You are requested to appoint the M/s Sharma Jain & Co., Chartered Accountants as our statutory auditor for the financial year 2008-09.

AUDITORS' REPORT

In respect of the adverse remarks of the Auditors' in their report for the financial year ended 31st March 2008, the Board would like to state

- That the Company is not carrying on any business currently due to paucity of funds and continuous recessionary conditions.
- The assets, which have been sold have become obsolete and were not useful for the purpose of the business.
- The amount due with State Insurance Corporation is under dispute and your Board is taking the necessary steps in this regard.
- The Company is in the process of reviving its business by venturing into new business activities.

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.

CORPORATE GOVERNANCE:

A separate section on Corporate Governance forming part of the Directors' Report is attached hereto and forms part of this report.

AUDIT COMMITTEE

The Audit Committee comprises of 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.

EMPLOYMENT OF FULL TIME COMPANY SECRETARY

Since the Company is not carrying on any significant business and is witnessing losses, therefore, it regrets its ability to appoint any Company Secretary currently.

GUPTA FIBRES LIMITED

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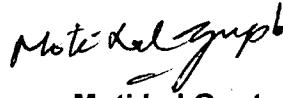
APPRECIATION

The company places on record the continue patronage of its shareholders, Government agencies, Bankers, Supplier and Customers of the Company.

By order of the Board

Place: Amritsar

Dated: September 01, 2008



Moti Lal Gupta
(Director)



Manu Gupta
(Director)

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 31.03.2008

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 30-04-2007, 23-05-2007, 30-06-2007, 31-07-2007, 30-08-2007, 12-09-2007, 30-09-2007, 31-10-2007, 30-11-2007, 31-12-2007, 31-01-2008, 28-02-2008, 05-03-2008, 31-03-2008.

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	13	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, 2008. 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
2007	29-09-2007	Registered Office	10.00AM
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 he 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 Tuesday
Date & Time 30th September, 2008 at 10 AM
Venue Registered office

Book Closure Date 29th September 2008 to 30th September 2008
Financial Period 1st April, 2007 to 31st March, 2008

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: 01-09-2008

For & on behalf of Board
Moti Lal Gupta
Manu Gupta
Moti Lal Gupta
Manu Gupta



Sandeep K. Sharma & Associates

CHARTERED ACCOUNTANTS
125, MBD MARKET, G.T. ROAD,
JALANDHAR CITY.
DIAL: 2261792 [R], 4620304 [O]

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE UNDER CLAUSE 49 OF LISTING AGREEMENT

To the Members
Gupta Fibres Ltd.
Amritsar

We have examined the compliance of conditions of Corporate Governance by Gupta Fibres Ltd. for the year ended 31st March 2008.

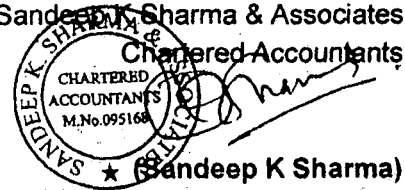
The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

In our opinion and according to the information and explanations given to us and on the basis of written representation received from management of the company, we certify that the Company has complied with in all material respects the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement (s) with the Stock Exchange(s).

Place: 1.09.2008
Date: Jalandhar

For Sandeep K. Sharma & Associates
Chartered Accountants

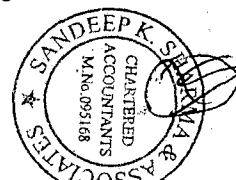


(Sandeep K Sharma)
Proprietor

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 2008, 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 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 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



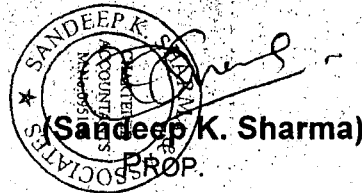
Sandeep K. Sharma & Associates,

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, 2008
 - 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

Place: Jalandhar
Dated: 01-09-2008

SANDEEP K. SHARMA & ASSOCIATES



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, 2008

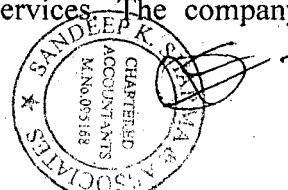
As required by the Companies (Auditor's Report) Order, 2003 issued by the central Government and on the basis of such checks of the Books and Records of the Company as we considered appropriate and the information and explanation given to us during the course of our Audit, we further state as under:

- (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)
- (b) 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
- (C) 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.
- (iii) 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.
- (iv) 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



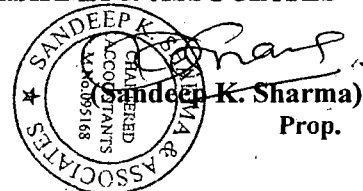
Sandeep K. Sharma & Associates,

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.

Place: Jalandhar
Dated: 01.09.2009

SANDEEP K. SHARMA & ASSOCIATES



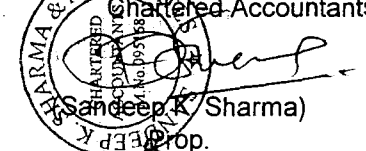
- however, maintaining huge cash balances.
- (v) a) According to the information and explanation given to us, there was no contract or arrangement during the year needed to be entered in the register maintained under Section 301 of the Companies Act, 1956
b) The Company has not conducted transactions 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.

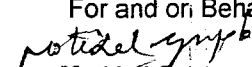
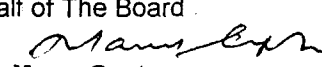


GUPTA FIBRES LIMITED
Balance Sheet As At 31st March, 2008

Particulars	Financial Note No.	31.03.2008	31.03.2007
A) SOURCES OF FUNDS			
1 SHAREHOLDERS' FUND:			
a Share Capital	1	39,481,800.00	39,481,800.00
2 LOAN FUNDS			
a Unsecured Loans	2	830,876.00	830,876.00
TOTAL		40,312,676.00	40,312,676.00
B. APPLICATION OF FUNDS			
1 Fixed Assets:-			
a Grass Block	3	-	-
b Less: Accumulated Depreciation		-	-
c Net Block (a-b)		-	-
2 INVESTMENTS			
	4	97,300.00	97,300.00
3 CURRENT ASSETS, LOANS & ADVANCES			
Current Assets :			
a inventories	5	843,493.95	1,095,821.00
b Cash and Bank Balances	6	21,213.00	40,164.00
Loans & Advances	7	2,994,315.00	3,064,525.00
		3,859,021.95	4,200,510.00
4 Less: Current Liabilities & Provisions			
a Current Liabilities	8	37,894.00	216,342.00
5 Net Current Assets (3-4)		3,821,127.95	3,984,168.00
6 PROFIT & LOSS ACCOUNT			
		36,394,248.05	36,231,208.00
TOTAL		40,312,676.00	40,312,676.00

For Gupta Fibres Limited
Director/Authorised Signatory

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

Manu Gupta
Director

Place : Jalandhar
Dated : 01-09-2008

GUPTA FIBRES LIMITED

Profit & Loss Account for the year ending 31st March, 2008

Particulars	Financial Note No.	31.03.2008	31.03.2007
INCOME			
Sales	9	307,250.00	758,979.00
Profit on sale of Fixed Assets		-	-
Other Income	10	8,079.00	-
Increase(Decrease) in stock of Finished Goods	11	(252,327.05)	(679,719.00)
	TOTAL	63,001.95	79,260.00
EXPENDITURE			
Purchase of Finished Goods		-	-
Manufacturing, Administrative, Selling and Other Expenses	12	397,000.00	386,175.00
Financial Expenses	13	569.00	885.00
Depreciation		-	-
	TOTAL	397,569.00	387,060.00
Loss for the Year		334,567.05	307,800.00
Extraordinary Items:		-	-
Assets/Liabilities Written off		(171,527.00)	170,000.00
Provision/Diminution in value of Investments		-	-
Loss during the year		163,040.05	477,800.00
Add: Deficit Balance brought forwards from last year		36,231,208.00	35,753,408.00
Balance of Loss carried to the Balance Sheet		36,394,248.05	36,231,208.00
Notes to the Account and Significant Accounting Policies:	14		

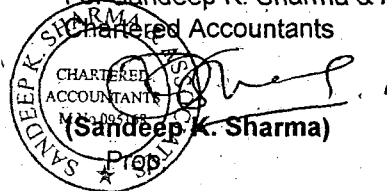
The Financial Notes referred to above form an integral part of the Profit and Loss Account.

Place : Jalandhar

Dated : 01-09-2008

For Gupta Fibres Limited
Director/Authorised Signatory

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



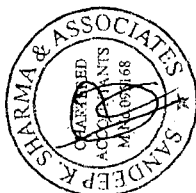
For and on Behalf of The Board

Moti Lal Gupta
Moti Lal Gupta
Director

Manu Gupta
Manu Gupta
Director

GUPTA FIBRES LIMITED
Financial Notes Annexed to and Forming Part Of The Accounts
For The Year Ended 31st March, 2008

Financial Note No	31.03.2008	31.03.2007
1	SHARE CAPITAL	
	<u>Authorised:-</u>	
	50,000,000.00	50,000,000.00
	TOTAL	50,000,000.00
	<u>Issued, Subscribed & Paid Up:-</u>	
	40,319,800.00	40,319,800.00
	Less:- Unpaid Calls	838,000.00
	TOTAL	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	830,876.00
	TOTAL	830,876.00
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
	Cost of Quoted investment	
	2,350,000.00	2,350,000.00
	Market Value of Quoted investment	
	88,110.00	88,110.00
Note:- Upto the earlier year investment were stated at cost and no provision was made for all in their market value. The investments are now being shown at the reduced notional figure of Rs. 1/- per share after provided for diminution in their value.		
4	INVENTORIES	
	(Valued at cost or market price whichever is lower and as certified by the Directors of the Company)	
	Raw Material (Waste)	
	843,493.95	1,095,821.00
	Finished Goods	
	TOTAL	843,493.95
5	CASH & BANK BALANCES:-	
	18,936.00	7,186.00
	BALANCE WITH SCHEDULE BANK:	
	2,277.00	32,978.00
	TOTAL	21,213.00
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	2,994,315.00	3,064,525.00
	TOTAL	2,994,315.00	3,064,525.00
7	<u>CURRENT LIABILITY</u>		
	Sundry Creditors for goods, services & other expenses	37,894.00	216,342.00
	TOTAL	37,894.00	216,342.00
8	<u>SALES</u>		
	Sale of Finished Goods	307,250.00	758,979.00
	Other Receipts/adjustments	-	-
	TOTAL	307,250.00	758,979.00
9	<u>OTHER INCOME</u>		
	Interest Received (ST Refund)	8,079.00	-
	TOTAL	8,079.00	-
10	<u>INCREASE/ DECREASE IN STOCK OF FINISHED GOODS</u>		
	Closing Stock	843,493.95	1,095,821.00
	Less:- Opening Stock	1,095,821.00	1,775,540.00
	TOTAL	(252,327.05)	(679,719.00)
11	<u>INCREASE/ DECREASE IN STOCK OF RAW MATERIAL</u>		
	Closing Stock	-	-
	Less:- Opening Stock	-	-
	TOTAL	-	-
12	<u>MANUFACTURING, ADMINISTRATIVE, SELLING AND OTHER EXPENSES:</u>		
	Wages & Salaries (Including Rs. Nil to Directors)	120,000.00	120,000.00
	Telephone, Taxes & Postage	136,500.00	125,625.00
	Legal & Professional Charges , Rates, Taxes & Fees	-	3,550.00
	Rent Paid	72,000.00	72,000.00
	Bad Bedts w/off	-	-
	Printing & Stationery	68,500.00	55,000.00
	Payments to Auditors	-	-
	For Audit Fees	-	10,000.00
	For Other Services	-	-
	Penalties	-	-
	TOTAL	397,000.00	386,175.00
	<u>FINANCIAL EXPENSES</u>		
	Bank Commission & Charges	569.00	885.00
	Interest to IFL	-	-
	TOTAL	569.00	885.00

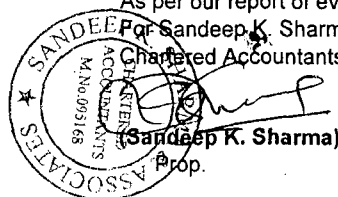
As per our report of even date

For Sandeep K. Sharma & Associates

Chartered Accountants

For and on Behalf of The Board

Place : Jalandhar
Dated : 01-09-2008



(Sandeep K. Sharma)
Prop.

Moti Lal Gupta
Moti Lal Gupta
Director

Mamun Gupta
Mamun Gupta
Director

FINANCIAL NOTE NO. 14

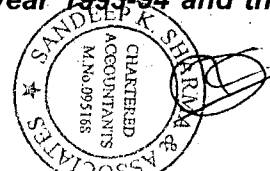
ACCOUNTING POLICIES & NOTES ON ACCOUNTS

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:

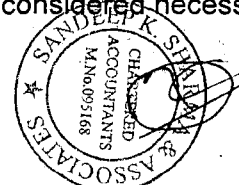
Depreciation on fixed assets is being provided on the fixed assets on straight line method at the rates prescribed under schedule XIV of the Companies Act, 1956 on pro rata basis.
 - e) Gratuity:

Gratuity is accounted for on payment basis. The company does not have any outstanding liability on account of gratuity as on 31.03.2008.
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 woolen yarn. Further, the company has suffered substantial losses in the disposal of obsolete stock of Raw Material (Waste) and finished goods (woolen 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. The same has been written during the year 2006-07.

6. In terms of Accounting Standard (AS 22), 'Accounting for Taxes on Income', the Company had determined deferred tax asset as on 31.03.2008. 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 31.03.2008
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 31.03.2008 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 | 2007-08 | 2006-07 |
|---|------------|------------|
| i) Profit as per P & L Account | (-) 163040 | (-) 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.



Sandeep K. Sharma & Associates,Chartered Accountants,
125, M.B.D. Market, G.T. Road, Jalandhar.
Ph. 0181- 5074304

14. Additional Information pursuant to provisions of Part II of Schedule VI OF THE Companies Act, 1956.

Year Ended
31/03/2008

- 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

Class of Goods	Opening Stock		Purchases		Sales		Closing Stocks	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Finished Cloth (Mts) 2007 (Mtrs)	17480.00	10.96	--	--	4025	3.07	13455	8.44
2006	28322.55	17.75	--	--	10842.55	7.59	17480.00	10.96

(Value 'in Lac Rs.)

* 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 attached" For and on Behalf of Board of Directors, Gupta Fibres Limited

For Sandeep K. Sharma & Asso.

Dated: 01.09.2008

Chartered Accountants
(Sandeep K. Sharma)
Chartered Accountant

Moti Lal Gupta
(Moti Lal Gupta)
Director


Manu Gupta
(Manu Gupta)
Director

GUPTA FIBRES LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2008

Sr. No.	Particulars	31.03.2008	31.03.2007
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net profit/(Loss) before tax & extraordinary items	(1.63)	(4.78)
	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	(1.63)	(4.78)
	Adjustment for		
	Current Assets	3.22	5.75
	Current Liabilities	(1.78)	(0.60)
	Cash Generated from operations	1.44	5.15
	Net Cash Generated from operating Activities	(0.19)	0.37
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)
	Net Cash from Financing Activities	-	(0.95)
	Net Increase / Decrease in Cash and Cash		
	Equivalents	(0.19)	(0.58)
	Cash and Cash Equivalent at the beginning of the		
	Year	0.40	0.98
	Cash and Cash Equivalent at the Close of the		
	Year	0.21	0.40

For and on Behalf of The Board



Moti L Gupta **Manu Gupta**
 Director Director

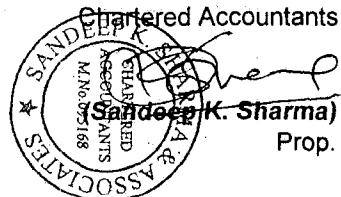
AUDITORS' CERTIFICATE

We have examined the attached cash flow statement of M/S Gupta Fibres Limited for the year ended 31.03.2008. 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 31.03.2008 to the members of the company.

Place Jalandhar
Dated : 01-09-2008

For Sandeep K. Sharma & Associates
Chartered Accountants


Sandeep K. Sharma
 Prop.



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS PER PART IV OF THE SCHEDULE VI TO THE COMPANIES Act, 1956

I Registration Details

Registration No.

					6	3	1	9
--	--	--	--	--	---	---	---	---

 State Code

1	6
---	---

Balance Sheet Date

3	1					0	3					0	8
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II Capital Raised During the Year (Amount in Rs. Thousands) 0.00

Public issue	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>												Right issue	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>											
Bonus issue	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>												Private Placement	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>											

III Position of Mobilisation and Deployment of funds (Amount in Rs. Thousands)

Total Liabilities	<table border="1"><tr><td></td><td></td><td></td><td></td><td>4</td><td>0</td><td>3</td><td>1</td><td>2</td></tr></table>					4	0	3	1	2	Total Assets	<table border="1"><tr><td></td><td></td><td></td><td></td><td>4</td><td>0</td><td>3</td><td>1</td><td>2</td></tr></table>					4	0	3	1	2
				4	0	3	1	2													
				4	0	3	1	2													
Sources of funds		Total Assets																			
Paid-up Capital	<table border="1"><tr><td></td><td></td><td></td><td></td><td>3</td><td>9</td><td>4</td><td>8</td><td>2</td></tr></table>					3	9	4	8	2	Reserves & Surplus	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>									
				3	9	4	8	2													
Secured Loans	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>										Unsecured Loans	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td>8</td><td>3</td><td>0</td></tr></table>							8	3	0
						8	3	0													
Application of Funds		Investment	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>9</td><td>7</td></tr></table>								9	7									
							9	7													
Net Fixed Assets	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>										Misc. Expenditure	<table border="1"><tr><td></td><td></td><td></td><td></td><td>3</td><td>6</td><td>3</td><td>9</td><td>4</td></tr></table>					3	6	3	9	4
				3	6	3	9	4													
Net Current Assets	<table border="1"><tr><td></td><td></td><td></td><td></td><td>3</td><td>8</td><td>2</td><td>1</td></tr></table>					3	8	2	1												
				3	8	2	1														

IV Performance of the Company

Turnover	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td>3</td><td>0</td><td>7</td></tr></table>							3	0	7	Total Expenditure	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td>3</td><td>9</td><td>8</td></tr></table>							3	9	8		
						3	0	7															
						3	9	8															
Profit / Loss before Tax	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td>(-)</td><td>3</td><td>3</td><td>5</td></tr></table>							(-)	3	3	5	Extraordinary items	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>1</td><td>7</td><td>2</td></tr></table>								1	7	2
						(-)	3	3	5														
							1	7	2														
Profit / Loss after tax	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td>(-)</td><td>1</td><td>6</td><td>3</td></tr></table>							(-)	1	6	3	Earning per share in Rs.	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>-</td></tr></table>								-		
						(-)	1	6	3														
							-																
Dividend Rate	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>N</td><td>i</td><td>L</td></tr></table>								N	i	L												
							N	i	L														


IV Generic names of three principal products/services

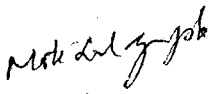
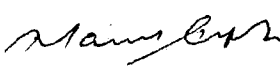
- 1) Woolen Yarn
- 2) Fabrics

As per our report of even date attached
SANDEEP K. SHARMA & ASSOCIATES

for and on behalf of the Board

Place: Jalandhar
Dated: 01.09.2009


(Sandeep K. Sharma)
For **Green Fibres Limited**
Director/Authorised Signatory



(Moti Lal Gupta) Manu Gupta)