

GOYAL ASSOCIATES LIMITED

14th AUDITED ANNUAL REPORT
FOR THE YEAR 2007-08

GOYAL ASSOCIATES LIMITED.

Regd.Office:603, 6TH Floor, Sakar-III,
Off: Income Tax, Ashram Road,
Navjivan Post,
Ahmedabad: 380 014.

E-Mail: goyal_associates@rediffmail.com

COMPANY REGN NUMBER : 04-23281 DATE OF INCORP.: 18/10/1994
NOMINAL SHARE CAPITAL: Rs.3,40,00,000/-
CIN: L74999GJ1994PLC023281

GOYAL ASSOCIATES LIMITED.

FOURTEENTH ANNUAL GENERAL MEETING PROGRAMME.

DATE : 30TH SEPTEMBER, 2008.
DAY : TUESDAY
TIME : 10.30 A.M.
VENUE : REGISTERED OFFICE OF THE
COMPANY AT

603, 6th Floor, Sakar-III,
Income Tax, Off: Ashram Road,
Navjivan Post, Ahmedabad: 380 014.

NOTE TO SHAREHOLDERS:

As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the meeting.

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- 2) Notice And Explanatory Statement.
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- 8) Schedules to the Balance Sheet and Profit & Loss Account.
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- 10) Balance Sheet Abstract and Company's General Business Profile.
- 11) Cash Flow Statement pursuant to Clause 32 of the Listing Agreement and Auditors' report there on.
- 12) Attendance Sheet & Proxy Form.

BOARD OF DIRECTORS

Shri Narendra Bhimsen Goyal Chairman and Director.
Shri Krishna Kant Bhimsen Goyal Director
Shri Prashant Kumar Rawatkumar Agarwal Director
Shri Vikas Kumar Vijay Kumar Goyal Director

CORPORATE GOVERNANCE TEAM.

AUDIT COMMITTEE.

Narendra. B. Goyal Chairman
Prashant Agarwal Member
Krishna Kant B Goyal Member

INVESTORS SERVICES COMMITTEE

Narendra. B. Goyal Chairman
Prashant Agarwal Member
Krishna Kant B Goyal Member

ACTING IN ADVISORY NATURE ONLY.

Secretarial and Corporate Legal Matters
Kamlesh. M. Shah,
(Practicing Company Secretary).

Finance, Audit and Taxation
M/s. Pradeep. B.Gandhi
Chartered Accountants

AUDITORS

M/s. Pradeep.B. Gandhi,
Chartered Accountants
314, 3rd Floor, Medicine Maket
Paldi Cross Road,
Ahmedabad: 380 007

COMPANY LAW CONSULTANTS

M/s. Kamalesh M Shah & Co.,
Practicing Company Secretary
801, 8TH FLOOR MAHALAYCOMPLEX
OPP, CHOICE RESTAURANT LANE
NAVRANGPURA, AHMEDABAD:380 009.

BANKERS OF THE COMPANY.

H.D.F.C. Bank Limited, Navrangpura, Ahmedabad.

REGISTRAR AND SHARE TRANSFER AGENT

Pinnacle Share Registry Private Limited.
Ashoka Mills Compound,
Naroda Road,
Ahmedabad: 380 025.

REGD. OFFICE

603, 6th Floor, Sakar-III,
Off: Ashram Road, Income Tax,
Navjivan Post,
Ahmedabad: 380 014.

INVESTORS GRIEVANCE AND COMPLIANCE OFFICER.

Mr. Krishna Kant. B. Goyal, Director
603, 6th Floor, Sakar-III,
Off: Ashram Road, Income Tax,
Navjivan Post,
Ahmedabad: 380 014.

GOYAL ASSOCIATES LIMITED.

NOTICE

NOTICE is hereby given to the Members of the **GOYAL ASSOCIATES LIMITED** that the 14th Annual General Meeting of the Members of the Company will be held on Tuesday the 30th September, 2008 at 10.30 A.M. at the Registered Office of the Company at 603, 6th Floor, Sakar-III, Off: Ashram Road, Income Tax, Navjivan Post, Ahmedabad: 380 014 to transact the following business:

ORDINARY BUSINESS:

- 1) To Receive, Consider, Approve and Adopt the Audited Statement of Accounts i.e. The Audited Balance Sheet as at 31/3/2008 The Profit & Loss Account for the year ended on that date, the report of the Auditors and Directors thereon.
- 2) To Appoint Auditors for the next financial year.

SPECIAL BUSINESS:

- 3) To Consider and if thought fit to pass with or without modification following Resoution as an Ordinary Resolution.

RESOLVED THAT pursuant to the provisions of section 260 of the Companies Act 1956 read with relevant provisions of the Articles of Association Mr.NARENDRA B GOYAL who was appointed as an Additional Director of the Board w.e.f. 01/11/2007, who hold the office as such Director only up to the date of this Annual General Meeting, however being eligible for appointment as Director of the Company and the Company has received from some members an application proposing him as Director of the Company and who has given his consent to act as Director if so appointed, be and is hereby appointed as Director of the Company whose terms of office shall be liable to determination for retire by rotation.

- 4) To Consider and if thought fit to pass with or without modification following Resoution as an Ordinary Resolution.

RESOLVED THAT pursuant to the provisions of section 260 of the Companies Act 1956 read with relevant provisions of the Articles of Association Mr.KRISHNA KANT B GOYAL who was appointed as an Additional Director of the Board w.e.f. 01/11/2007, who hold the office as such Director only up to the date of this Annual General Meeting, however being eligible for appointment as Director of the Company and the Company has received from some members an application proposing him as Director of the Company and who has given his consent to act as Director if so appointed, be and is hereby appointed as Director of the Company whose terms of office shall be liable to determination for retire by rotation.

- 5) To Consider and if thought fit to pass with or without modification following Resoution as an Ordinary Resolution.

RESOLVED THAT pursuant to the provisions of section 260 of the Companies Act 1956 read with relevant provisions of the Articles of Association Mr.PRASHANT RAWATKUMAR AGARWAL who was appointed as an Additional Director of the Board w.e.f. 01/11/2007, who hold the office as such Director only up to the date of this Annual General Meeting, however being eligible for

appointment as Director of the Company and the Company has received from some members an application proposing him as Director of the Company and who has given his consent to act as Director if so appointed, be and is hereby appointed as Director of the Company whose terms of office shall be liable to determination for retire by rotation.

- 6) To Consider and if thought fit to pass with or without modification following Resoution as an Ordinary Resolution.

RESOLVED THAT pursuant to the provisions of section 260 of the Companies Act 1956 read with relevant provisions of the Articles of Association Mr.VIKAS VIJAY KUMAR GOYAL who was appointed as an Additional Director of the Board w.e.f. 01/11/2007, who hold the office as such Director only up to the date of this Annual General Meeting, however being eligible for appointment as Director of the Company and the Company has received from some members an application proposing him as Director of the Company and who has given his consent to act as Director if so appointed, be and is hereby appointed as Director of the Company whose terms of office shall be liable to determination for retire by rotation.

PLACE: AHMEDABAD.
DATE: 28/08/2008

BY ORDER OF THE BOARD OF DIRECTORS
OF GOYAL ASSOCIATES LIMITED.

SD/-
(NARENDRA B GOYAL)
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 and on behalf of him and that a Proxy need not be a member of the company.
- 2) Proxies in order to be effective should be duly completed stamped and signed and must be deposited at the Registered office of the company not less than 48 hours before the conclusion of the meeting.
- 3) The Register of members and share transfer books of the Company shall remain closed from **28/09/2008 to 30/09/2008 (Both days inclusive)** as per the provisions of section 154 of the Companies Act 1956.
- 4) Members desiring any information on accounts are requested to write to the company 7 days before the meeting to enable the management to keep the information ready.
- 5) Members are requested to intimate any change in their registered addresses, if any, directly to the company's Registered Office or directly to the Registrar and Share Transfer Agents at the address mentioned elsewhere in this report.
- 7) All shareholders are requested to dematerialized their shareholding immediately as the shares are traded compulsorily in demat segment only.

GOYAL ASSOCIATES LIMITED.

AN EXPLANATORY STATEMENT PURSUANT TO PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT 1956 TO THE RESOLUTIONS MENTIONED UNDER THE HEAD SPECIAL BUSINESS OF THE NOTICE CONVENING 14TH ANNUAL GENERAL MEETING ON TUESDAY THE 30TH SEPTEMBER 2008 AT THE REGISTERED OFFICE OF THE COMPANY.

ITEM NO.3 TO 6. APPOINTMENT OF ADDITIONAL DIRECTORS.

The Company had in its Board of Directors' meeting appointed Mr.Narendra. B. Goyal, Mr.Krishna Kant B Goyal, Mr.Prashant Kumar R Agarwal, Mr. Vikas Vijay Kumar Goyal as Additional Directors of the Company w.e.f. 1st November 2007 in order to develop the business of trading, import, export and to over come the existing accumulated losses.

Mr.Narendra B Goyal and Mr.Krishna Kant B Goyal are the original promoters directors of the Company. They had resigned as director only because they had gone overseas for development of business contacts in foreign countries. They stayed for a longer period and develop the business relations which will be helpful and beneficial to the company in the long run. Immediately on their return back to the country, they have again taken over the business management and administration of the affairs of the company from the existing directors w.e.f. 1/11/2007.

Mr.Ashwin. C. Sheth, Mr. Jashwantlal L Shah and Ms.Rinku. J. Shah had resigned w.e.f. 4/11/2007. All the newly appointed directors hold the office as such only up to the date of this annual general. However they are eligible for appointment as Director and the company has received notices along with requisite deposits from some members proposing their candidature for appointment as director of the Company.

If appointed as Director regularly on the Board, the Company will be much benefited with their business contacts, relations overseas as well as their business accumenship in the long run. Your directors recommend to appoint them as Director of the Company.

All the Directors of the Company may be deemed to be concerned or interested in the proposed resolution.

**PLACE: AHMEDABAD.
DATE: 28/08/2008**

**BY ORDER OF THE BOARD OF DIRECTORS
OF GOYAL ASSOCIATES LIMITED.
SD/-
(NARENDRA B GOYAL)
DIRECTOR.**

GOYAL ASSOCIATES LIMITED.

DIRECTORS' REPORT

To,
The Members,
GOYAL ASSOCIATES LIMITED,

Dear Shareholders,

Your Directors have pleasure in presenting herewith the 14th (Fourteenth) Audited annual report of your Company for the financial year ended on 31st March 2008.

FINANCIAL HIGHLIGHTS.

During the year under review the financial performance of the Company is as under:
(Amount in Rupees)

Particulars.	For the Year Ended on 31/03/2008	For the Year Ended on 31/03/2007
Sales.	8,72,78,981	NIL
Other Income	1,12,838	2,85,018
Total Income	8,73,91,819	2,85,018
Total Expenses.	8,73,54,282	2,84,540
Profit/ (Loss) Before Depreciation & Tax.	37,537	478
Provision for Depreciation.	NIL	NIL
Profit/ (Loss) Before Tax.	37,537	478
Provision for Tax	19,580	NIL
Provision for Differed Tax.	NIL	NIL
Provision for FBT	3,615	890
Net Profit/ (Loss) for the Year.	14,342	(412)
Add: Balance B/f from Previous Year.	(60,28,684)	(6,028,272)
Profit/(Loss) Carried to Balance Sheet	(60,14,341)	(60,28,684)

DIVIDEND

As the Company has earned very nominal profit and due to accumulated huge losses your directors are unable to declare any dividend.

UNPAID/UNCLAIMED DIVIDEND:

The Company do not have any outstanding unpaid/unclaimed dividend which is required to be transferred to the Investors Education and Protection funds as per the provision of Section 205C of the Companies Act 1956. The Company does not have any outstanding liability on account of Interest and Principal on Deposits, Debentures or Share Application Money.

SHARE CAPITAL STRUCTURE:

During the year under review there were no changes in the Authorized, Issued, Subscribed and Paid up Share Capital Structure of the Company.

BUY BACK OF EQUITY SHARES:

The Company had not made any Buy Back of its paid up equity shares during the year in terms of section 77A, 77AA and 77B of the Companies Act 1956. Hence no specific disclosure is required to be made in this report.

YEAR UNDER REVIEW

During the year under review the Company has earned a total Income of Rs. 8,73,91,819/- (Previous Year of Rs. 2,85,017). After deducting all Direct and indirect business expenses the company has earned a gross profit before interest, depreciation and tax of Rs. 37,537/- (Previous year Profit of Rs. 478/-). After making provision for taxation of Rs. 19,580/-, FBT of Rs. 3615/- (Previous year Income tax NIL, FBT Rs. 890/-) the company has incurred a net profit after tax of Rs. 14,342/- (Previous year Loss of Rs. 412/-). After making necessary adjustments for previous year losses against current year profit, the Company has carried forward a net accumulated loss of Rs. 60,14,342/- in the Balance Sheet which is less than 50% of the net worth of the Company.

DEMATERIALISATION OF SECURITIES:

Your Company's Equity shares are already admitted in the System of Dematerialization by both the Depositories namely NSDL and CDSL. The Company has already signed tripartite Agreement through Registrar and Share Transfer Agent M/s. Pinnacle Share Registry Private Limited. The Investors are advised to take advantage of timely dematerialization of their securities. The ISIN allotted to your Company is INE 912 B 01024.

COMPLIANCE TO CODE OF CORPORATE GOVERNANCE:

The Complete Report on Corporate Governance is given as ANNEXURE-A.

MANAGEMENT'S DISCUSSION AND ANALYSIS:

Management's discussion and perceptions on existing business, future out look of the industry, future expansion and diversification plans of the Company and future course of action for the development of the Company are fully explained in a separate para in Corporate Governance Report in Annexure-A forming part of this report and also report on corporate governance.

DEPOSITS:

During the year under review your company has neither invited nor accepted any public deposit or deposits from the public as defined under Section 58A of the Companies Act-1956.

DIRECTORS

Shri Ashwin. C. Sheth, Jashwantlal L Shah and Ms. Rinku J Shah had resigned as Director from the Board. Mr.Narendra. B. Goyal, Krishna Kant B Goyal, Mr.Prashant R Agarwal and Mr.Vikas V GOyal were appointed as additional Director of the Company. Necessary resolutions for their regular appointment along with explanatory statement are given in the notice for meeting. Your directors recommend to pass all resolutions.

GOYAL ASSOCIATES LIMITED

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provision contained in Section 217(2AA) of the Companies Act, 1956, the Directors of your Company confirm:

- (A) That in the preparation of the annual accounts, the applicable accounting standards has been followed and no material departure has been made from the same;
- (B) That they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affair of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- (C) That they 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 for preventing and detecting fraud and other irregularities;
- (D) That they have prepared the annual accounts on a going concern basis.

STATUTORY AUDITORS:

M/s Pradip B. Gandhi & Co., Present Statutory Auditors of the company have given their letter of consent and confirmation under section 224(1B) the Companies Act 1956 for reappointment as Statutory Auditors of the Company. Necessary Resolution making their appointment as the Statutory Auditors and fixing their resolution is proposed to be passed at the Annual General Meeting.

INTERNAL AUDITORS:

The Company has yet not appointed an independent Chartered Accountant as an Internal Auditor. However, the company is having an Internal Audit System within the organization under the Chairmanship of Shri Narendra. B. Goyal. The Board is considering appointing independent Chartered Accountant as the Internal Auditors of the Company in the next financial year.

AUDITORS OBSERVATION:

There are no observations made by the Auditors in their report. However notes to the Accounts itself are clarificatory and self explanatory in the nature.

FORMATION OF AUDIT COMMITTEE:

Provisions of Section 292A of the Companies Act 1956 is not applicable to your company as its paid up share capital is less than Rs.5,00,00,000/-. However in order to make compliance with clause 49 of the Listing Agreement on Corporate Governance in part, your directors have already formed an Audit Committee within the organization with the Chairmanship of Shri Narendra. B. Goyal. The Company is in process of strengthening the powers of Audit committee and its functional autonomy by appointing in the committee itself an independent Chartered Accountant who shall also act as Internal Auditors for the Company. The detail of powers, responsibilities and system of functioning of this committee is given in report on Corporate Governance forming part of this report.

EMPLOYEES

There are no employees of the company who were in receipt of the remuneration of Rs.24,00,000/- in the Aggregate if employed for the year and in receipt of the Monthly remuneration of Rs. 2,00,000/- in the aggregate if employed for a part of the year under review. Hence the information required under Section 217 (2A) of the Companies Act, 1956 being not applicable are not given in this report.

STATUTORY INFORMATION:

The Information required to be disclosed in the report of the Board of Directors as per the provisions of Section 217 (1)(e) of the Companies Act-1956 and the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 regarding the conservation of energy, technology absorption, foreign exchange earnings and outgo are not applicable to the company hence are not given herewith.

MATERIAL CHANGES

Except the information given in this report there are No material changes have taken place after completion of the financial year up to the date of this report which may have substantial effect on business and finances of the company.

APPRECIATION:

Your Directors take this opportunity to acknowledge the trust reposed in your company by its Shareholders, Bankers and clients. Your Directors also keenly appreciate the dedication & Commitment of all our employees, without which the continuing progress of the company would not have been possible.

PLACE: AHMEDABAD.
DATE: 28/08/2008

ON BEHALF OF THE BOARD OF DIRECTORS
OF GOYAL ASSOCIATES LIMITED.

SD/- SD/-
(NARENDRA. B. GOYAL) (KRISHNA KANT GOYAL)
DIRECTOR DIRECTOR

REPORT ON CORPORATE GOVERNANCE:

MANAGEMENT PERCEPTION ON CORPORATE GOVERNANCE

The Company believes that good corporate governance practices enable the Board to direct and control the affairs of the Company in an efficient manner. To meet with the requirement, the Company has introduced the system of Corporate Governance with adequate number of committees. These committees are having representations from professional persons as Advisors. Thus the company will be able to introduce more transparency in the administration and professionalism in the management of the business and affairs of the company,

BOARD COMPOSITION:

Mr. Narendra. B. Goyal has been appointed as Chairman of the Company. He is a Non Executive. However he is looking after the day to day affairs of the Company. The Company's paid up capital is less than Rs.500 Lacs hence it has not appointed any Managing Director. All the directors of the company are independent and non-executive.

Name of the Director	Designation	Type	Executive / Non Executive
Mr. Narendra. B. Goyal	Chairman And Director	Promoter Director	Non- Executive
Mr. Krishna Kant B. Goyal	Director	Promoter Director	Non Executive
Mr. Prashant R Agarwal	Director	Independent Director	Non Executive
Mr.Vikas Vijaykumar Goyal	Director	Independent Director	Non Executive

COMPOSITION OF COMMITTEES.

A. AUDIT COMMITTEE

	Name	Type
1	Shri Narendra B Goyal	Chairman
2	Shri Prashant R Agarwal	Member
3	Shri Krishna Kant B Goyal	Member
4	Shri K.M.Shah *	To act as Secretary

*(In the Capacity of Advisors Only)

B. INVESTOR GRIEVANCE COMMITTEE

	Name	Type
1	Shri Narendra B Goyal	Chairman
2	Shri Prashant R Agarwal	Member
3	Shri Krishna Kant B Goyal	Member
4	Shri K.M.Shah *	To act as Secretary

*(In the Capacity of Advisors Only)

C. REMUNERATION COMMITTEE

All the Directors of the Board are Non-Executive. It is not paying any remuneration to any directors except reimbursement of the expenditure incurred by them for the business of the company. The Company is also not paying any sitting fees to any directors. Hence, it has not formed the remuneration committee.

NO. OF BOARD AND COMMITTEE MEETINGS HELD DURING THE YEAR:

Name of the Committee	No. of Meetings held
Board	5
Audit Committee of Board	5
Investor Grievance Committee	12

ATTENDANCE OF THE DIRECTORS IN VARIOUS MEETINGS:

	Name of the Director	Board Meeting	ACB Meeting	IGCB Meeting
1	Shri Narendra B Goyal	5	5	12
2	Shri Prashant R Agarwal	5	5	12
3	Shri Krishna Kant B Goyal	5	5	12
4	Shri Vikas Vijay Goyal	5	NIL	NIL

DIRECTORS PRESENT AT THE LAST ANNUAL GENERAL MEETING DATED SEPTEMBER 29, 2007.

Shri Ashwin. C. Sheth	Chairman And Director
Shri Jashwantlal. C. Shah	Director

DETAILS OF ANNUAL GENERAL MEETINGS HELD DURING THE LAST 5 FINANCIAL YEARS:

Sr.No.	Date of AGM	Day	Time	Venue.
(1)	30/09/2003	Tuesday	09.30A.M	503,5 th Floor, Ashwamegh Avenue, Near Mithakhali Under Bridge, Navrangpura, Ahmedabad: 380 009.
(2)	30/09/2004	Thursday	09.30A.M	503,5 th Floor, Ashwamegh Avenue, Near Mithakhali Under Bridge, Navrangpura, Ahmedabad: 380 009.
(3)	30/09/2005	Saturday	09.30A.M	D-34, Sarvadarshan Apartment, Opp: Satya Triveni Sangam Flats, Off: S.G.Highway, Satellite, Ahmedabad: 380 015.
(4)	30/09/2006	Saturday	10.30A.M	503,5 th Floor, Ashwamegh Avenue, Near Mithakhali Under Bridge, Navrangpura, Ahmedabad: 380 009.
(5)	29/09/2007	Saturday	10.30A.M	503,5 th Floor, Ashwamegh Avenue, Near Mithakhali Under Bridge, Navrangpura, Ahmedabad: 380 009.

FUNCTIONS OF AUDIT COMMITTEE:

The Audit Committee is headed by Shri Narendra B Goyal as Chairman and includes other director namely Shri Prashant Agarwal and Shri Krishna Kant B Goyal. The Committee is regularly giving feed back on daily financial and accounting position of the company to the Board. In addition thereto the company has also appointed independent professional persons as advisors on the committee Mr. Kamlesh. M. Shah a Practicing Company Secretary. Their role has been of an Advisory nature. They do not take part in the proceedings of the committee. However they are giving their expert guidance on making compliance with the Accounting Standards, Financial transactions and accounting and Taxation matters, company law and other corporate legal matters etc.

The Committee meets at least once in every quarter and prepare its minutes on the proceedings and business discussed, transacted. All committee Reports and minutes are placed before the Board in all its meetings for information, guidance, directions and taking the same on record.

Other functions, powers, duties etc. of the committee are defined taking in to account the legal provisions of the Listing Agreement and the same are kept flexible to be decided by the Board from time to time.

ESTABLISHMENT OF THE INTERNAL AUDIT SYSTEM.

The Company has already established the Internal Audit System under the Chairmanship of Shri Narendra. B. Goyal who is also a chairman of the Audit Committee. The Managing Director and the Chief Financial Officer of the company both are jointly responsibilities for giving full accounts to the committee including to carry out any suggestions of the committee. The Audit system ensures proper financial control and accounting of the transactions as per the established accounting standards.

FUNCTIONS OF INVESTORS SERVICES COMMITTEE.

The Company has merged in this committee its earlier committee of Share Transfer. This Committee looks in to all aspects and business related to Shares and retail investors. The Committee also looks after the Dematerialization process of equity shares.

The Committee is also empowered to keep complete records of Shareholders, Statutory Registers relating to Shares and securities, maintaining of the complete records of Share Demated, Investors Grievances, complaints received from investors and also from various agencies.

The Committee has also appointed Mr.Kamlesh. M. Shah Company secretary to look after the legal cases and problems relating to the investors, shares etc.

The Committee meets every month to approve all the cases of shares demate, transfer, issue of duplicate and resolution of investors complaints, submission of information to various statutory authorities like NSDL/CDSL, SEBI, Stock Exchanges, Registrar of Companies periodically and from time to time.

Other functions, roles, duties, powers etc. have been clearly defined in line with the Clause 49 of the Listing Agreement and are kept flexible for modification by the Board from time to time.

PASSING OF THE RESOLUTIONS BY POSTAL BALLOT SYSTEM:

The Company had not passed any resolution by means of Postal Ballot at the last Annual General Meeting. The Company had during the financial year not passed any resolutions by means of Postal Ballot system.

MANAGEMENT DISCUSSION AND ANALYSIS

a) PRESENT STRENGTH OF THE COMPANY:

The Company's present business activities are of securities trading and investment. It is using its own funds only and has not borrowed any funds. Thus the overall cost of fund for investment is comparatively low and as a result the company is in a position to take bold and risky investment decisions. In addition the Company's total capital base is also at marginally low level hence the overall risk for loosing the funds in the market is at a very low level.

b) FUTURE OUT LOOK:

The Company is in process of identifying the best available opportunities for making timely investment in many investment capable securities like shares, debentures and bond securities, liquid funds, mutual funds etc. The overall growth of the Indian capital market is about to witness drastic growth in terms of investment and flow of fund not only from local market but from overseas market also with the opening of the Indian economy for world at large. The country is going to see grass root changes in the Indian capital market history with the introduction of electronic trading and clearing facilities, dematerialized security delivery system etc. as all these factors have introduced and boosted within the capital market an investor confidence.

Hence, the company's future is bright in terms of its present business activities. The management of the company is also constantly watching the market to increase its financial base and capital base after identifying the investment opportunity in the country.

C) COMPNY'S ACTION PLAN OF BUSINESS DEVELOPMENT.

For this purpose the company has established following system of business development model and assessment model of its financial and investment assets:

- (A) Assessment of the Investment Portfolio every 15 days considering the Capital market index Movement and Industrial scenario.
- (B) Assessment of the financial assets in terms of its credit rating, credit worthiness of customers, market scenario, rate of interest curve etc.
- [c] Taking timely action to make changes within the various assets of the company considering the revenue fund requirements for meeting with the day to day administrative and other expenses of the company.
- (d) Making hedging of investment assets for risk coverage in futures market.
- (e) Identifying the investment opportunity in the commodities market, futures market, precious metals and other such markets for high turnover and return on capital employed.

DISCLOSURES

A) MATERIALLY RELATED PARTY TRANSACTIONS:

During the financial year 2007-2008 except the details given in the Note No. 8 "RELATED PARTY DISCLOSURE AND TRANSACTION WITH RELATED PARTIES" there was no transactions of material nature with its promoters, the directors and the management, subsidiaries or relatives, etc. which may have potential conflict with the interests of the company at large.

B) DETAILS OF NON-COMPLIANCE

The Company is not regular in stock exchange and Listing Agreement Compliance. As a result the Stock Exchange, Mumbai has suspended trading in securities. However, the Management is in process of clearing the pending compliance at the earliest and to withdraw the suspension from trading. Except the one mentioned herein this para, no penalties imposed on the company or any of its directors by stock exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

MEANS OF COMMUNICATIONS:

A) ESTABLISHMENT OF INTERNAL MANAGEMENT INFORMATION SYSTEMS:

The Company has established the Management information system whereby each and every functional department is providing their performance reports and any type, nature, description of problems to their Functional heads. The functional heads have autonomy for redressal of problems and HRD problems or functional problems at their own level. Any problem requiring policy decisions are being intimated to Audit Committee for redressal or amendments in the policy and procedures. The progress reports are being regularly on monthly basis intimated to the Audit committee through the Financial Officer of the Company who in turn put the same to Audit Committee meetings. All the Investors' grievances or share department related queries are addressed to the Compliance officer who in turn put the same before the Investors' Grievances Committee.

B INFORMATION SYSTEM BETWEEN COMMITTEES AND THE BOARD:

Both Audit Committee and Investors' Grievances Committees receive periodical regular information from the concerned functional heads, after resolutions of all the problems communicate back the same to functional heads for further communications. The progress report and minutes of all meetings held of both the committees are being placed before the Board for information and taking the same on records.

C INFORMATION SYSTEM BETWEEN THE COMPANY AND INVESTORS:

The Company is regularly taking on record the unaudited financial results on quarterly basis as per requirements of the Clause 41 of the listing Agreement and the same are published in English And Gujarati News Papers in time. Further these original paper cuttings are also being submitted to stock Exchanges in time. The Material information relating to the business of the Company are being intimated to the Stock Exchange who in turn publish the same in their daily official bulletin. The Audited Financial Balance Sheet is being dispatched to every shareholder in time at their registered addresses.

STATUTORY COMPLIANCES MADE AND RETURNS ETC. FILED:

The Company has duly complied with the provisions of the Companies Act 1956, all the provisions of the Listing Agreement. The Company has also filed various unaudited financial results, Balance sheets, Income Tax returns and other statutory returns with all the authorities in time. There are no defaults as on date in any such compliances and no legal action of any nature has been taken against the company or its officers/ directors.

OTHER DETAILS:

REGISTERED OFFICE : 603, 6th Floor, Sakar-III,
Off: Ashram Road, Income Tax,

Navjivan Post, Ahmedabad: 380 014

BOOK CLOSURE DATES : SEPT.28 2008 to SEPT.30, 2008
(Both days inclusive)

REGISTRAR AND SHARE TRANSFER AGENT. : Pinaccl Share Registry Private Limited,
(Only Depository Electronics Services) : Ashoka Mills Compound,
: Naroda Road,
Ahmedabad: 380 025.

ISIN NUMBER OF THE COMPANY : INE 912 B 01024

FINANCIAL CALENDAR

Unaudited Results for the Quarter :

Ending on 31st March 2007. : Last week of April, 2007
Ending on 30th June, 2007. : Last Week of July, 2007
Ending on 30th September 2007 : Last week of October, 2007.
Ending on 31st December 2007 : Last week of January 2008
Ending on 31st March, 2008 : Last Week of April, 2008.

DIVIDEND PAYMENT PROGRAMME: Due to very small amount of profit earned during the year The Board of Directors has not recommended any dividend for the year.

DETAILED PROGRAMME OF THE 14TH ANNUAL GENERAL MEETING.

DATE 30TH SEPTEMBER 2008.
DAY Tuesday
TIME 10.30 A.M.
VENUE REGISTERED OFFICE OF THE COMPANY AT
603, 6th Floor, Sakar III,
Off: Ashram Road, Income Tax,
Navjivan Post, Ahmedabad: 380014.

Listing Details: Equity Shares of the Company are listed and traded on
The Stock Exchange, Ahmedabad
The Stock Exchange, Mumbai

Stock Exchange Code : ASE Code: GOYALASSO.
: BSE Code: 530663

Market Quotations and Number of Shares Traded during the Financial Year ended on 31/3/2008.

The Company's shares were suspended from trading on the stock exchange, Mumbai after September 2006. Hence the complete details of total trading volume, highest, lowest prices, closing prices month wise for the year ended 31/3/2008 being not available are not given here with.

**Scrip Code:530663 Company Name:GOYAL ASSOCI For the period: 1st
April 2007 to 31st March 2008**

As the Company's shares are not included in any Index of the stock exchange, the effect of price movement of shares of the company viz a viz. General Index or the Industry Index is not given herewith.

CATEGORY WISE SHAREHOLDING PATTERN OF THE COMPANY.

Category Code	Category of shareholder.	Number of Shareholders.	Total Number of Shares.	Number of shares held in Dematerialised form	Total Shareholding as % of (A+B)	Total shareholding as Percentage of (A+B+C)
1.	2.	3.	4.	5.	6.	7.
(A)	Shareholding of promoter					
	And promoter group					
(1)	Indian					
(a)	Individuals / Hindu undivided family	1	17,000	17,000	00.05%	00.05%
(b)	Central Government / state Government	NIL	NIL	NIL	NIL	NIL
(c)	Bodies corporate	NIL	NIL	NIL	NIL	NIL
(d)	Financial institution / banks	NIL	NIL	NIL	NIL	NIL
(e)	Any Other (GROUP ASSOCIATE COMPANIES) Gujarat Investa Ltd	1	15,000	15,000	00.05%	00.05%
	Sub- Total (A) (1)	2	32,000	32,000	00.10%	00.10%
(2)	Foreign					
(a)	Individuals (non resident Individuals / foreign individuals)	NIL	NIL	NIL	NIL	NIL
(b)	Bodies corporate	NIL	NIL	NIL	NIL	NIL
(c)	Institutions	NIL	NIL	NIL	NIL	NIL
(d)	Any Other (Persons Acting In Concert)	NIL	NIL	NIL	NIL	NIL
(B)	Public Shareholding					
(1)	Institutions					
(a)	Mutual Funds / UTI	NIL	NIL	NIL	NIL	NIL
(b)	Financial institution / banks	1	1,50,000	1,50,000	00.50%	00.50%
(c)	Central Government / state Government (s)	NIL	NIL	NIL	NIL	NIL
(d)	Venture Capital Funds	NIL	NIL	NIL	NIL	NIL
(e)	Insurance Companies	NIL	NIL	NIL	NIL	NIL
(f)	Foreign institutional investors	NIL	NIL	NIL	NIL	NIL
(g)	Foreign Venture capital investors	NIL	NIL	NIL	NIL	NIL
(h)	Any Other (specify) Corporate Brokers. Corporate Body Others.	23 4	2,91,989 9,800	2,91,989 9,800	00.95% 00.03%	00.95% 00.03%
	Sub - Total (B) (1)	28	4,51,789	4,51,789	01.48%	01.48%
(2)	Non – Institutions					
(a)	Bodies corporate	137	29,75,613	29,75,613	09.72%	09.72%
(b)	Individuals					
	(i) Individual shareholders holding nominal share capital up to Rs. 1 Lakh.	5,277	2,33,20,003	2,31,06,003	76.22%	76.22%
	(ii) Individuals shareholders	21	34,97,403	34,97,403	11.43%	11.43%

	holding nominal share capital in excess of to Rs. 1 Lakh.					
(c)	Any Other (specify) Clearing Member NRI Repairable NRI Non Repairable	4 NIL 27	15,970 NIL 3,07,222	15,970 NIL 3,07,222	00.05% NIL 01.00%	00.05% NIL 01.00%
	Sub- Total (B) (2)	5494	3,05,68,000	3,03,54,000	99.90%	99.90%
	Total Public Shareholding (B) = (B)(1) + (B)(2)	5494	3,05,68,000	3,03,54,000	99.90%	99.90%
	TOTAL (A) + (B)	5,496	3,06,00,000	3,03,86,000	100.00%	100.00%

DISTRIBUTION OF SHAREHOLDING (AS ON 28.08.2008):

DISTRIBUTION OF HOLDINGS.

SHARE OR DEBENTURE HOLDING OF NOMINAL VALUE OF FROM RS. TO RS.	SHARE AND DEBENTURE HODLER		SHARE / DEBENTURE AMOUNT RS.	
	NUMBER	% TO TOTAL	TOTAL RS.	% OF TOTAL
1 - 5000	833	015.156	551616	001.80
5001 - 10000	1474	026.819	1330886	004.35
10001 - 20000	871	015.848	1644848	005.38
20001 - 30000	426	007.751	1180991	003.86
30001 - 40000	185	003.366	715644	002.34
40001 - 50000	661	012.027	3284843	010.73
50001 - 100000	575	010.462	4935164	016.13
100001 - Above	465	008.571	16956008	055.41
	5496	100.000	30600000	100.00

GOYAL ASSOCIATES LIMITED

AUDITORS' REPORT ON WITH CORPORATE GOVERNANCE.

To
The Members of
GOYAL ASSOCIATES LIMITED

We have examined the relevant records for the year ended March 31, 2008 relating to the Compliance with the requirement of corporate Governance as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges.

On the basis of our review and according to the information and explanations given to us by the company, we state that in our opinion and to the best of our knowledge the Company has not complied with the mandatory requirements as contained clause 49 of the Listing Agreement relating to code on corporate Governance in spirit . However it has tried to make compliance in part by appointing various committees and taking feedback on business and affairs of the company and reporting system as well as corrective measures are taken as advised by various committees.

Date: 28/08/2008

for Pradip B Gandhi & Co.,
Chartered Accountants,

Place: Ahmedabad.

SD/-
(Pradip. B. Gandhi)
Partner
Membership No:102070

CA PRADIP GANDHI
B.Com., LLB, FCA
Mob. No. 9825139076
Mail : capradipgandhi@yahoo.co.in

CA AMIT LAKHTARIYA
B.Com., ACA, DISA
Mob. No. 9376139615
Mail : amitlakhtariya@yahoo.co.in

PRADIP B. GANDHI & CO.
CHARTERED ACCOUNTANTS

314 & 315, 3rd Floor, Medicine Market,
Opp. Shefali Centre, Paldi Cross Road,
Paldi, Ahmedabad. - 380007
PH. : (0) 079-26 57 60 76 079-40 09 30 76
web : www.pbgandco.com

AUDITOR'S REPORT

To the MEMBERS of GOYAL ASSOCIATES LIMITED, AHMEDABAD on the Accounts for the year ended 31st march 2008.

A) We have audited the attached Balance Sheet of **GOYAL ASSOCIATES LIMITED, AHMEDABAD** as at **31st march 2008**, and also the Profit and Loss Account 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.

B) We conducted our audit in accordance with auditing 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. Our audit includes an examination on a test basis, of evidence supporting the amounts and disclosures in financial statements, assessing the accounting principles used and significant estimates and judgments made by the management in the preparation of financial statements and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

C) As required by the Companies (Auditor's Report) Order, 2003 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, We enclose in the Annexure a statement on the matters specified in paragraph (D) of the said order.

D) We further report that:

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of audit.
2. In our opinion, proper Books of Account as required by law have been kept by the Company so far as appears from our examination of those Books.
3. The Balance Sheet, Profit and Loss Account dealt with by this report are in agreement with the Books of Account.



4. In our opinion, the Balance Sheet, Profit and Loss Account dealt with by this report comply with the requirements of the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
5. On the basis of the written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on **31st March 2008** from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us & Subject to annexure to this report, the said accounts, and read together with the other notes thereon, give the information required by the Companies Act, 1956 in the manner so required and also give a true and fair view, in conformity with the accounting principles generally accepted in India.
 - a) In the case of the Balance Sheet, of the state of affairs of the Company as at **31st march 2008**.
 - b) In the case of the Profit and Loss Account, of the loss for the year ended on that date.

Place : Ahmedabad
Date : 28/08/2008

FOR, PRADIP B. GANDHI & CO.,
CHARTERED ACCOUNTANTS,

P.B. Gandhi



PRADIP B. GANDHI
PARTNER
M.No.102070.

ANNEXURE REFERRED TO IN PARAGRAPH (1) OF AUDITORS REPORT TO THE SHARE HOLDERS OF **GOYAL ASSOCIATES LIMITED**, AHMEDABAD ON THE ACCOUNTS FOR THE YEAR ENDING ON **31st MARCH, 2008**.

1. The Company is not having any Fixed Assets.
2. (a) As explained to us, the Inventories has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
(b) In our opinion and according to the information and explanation given to us, the procedure of physical verification of Inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its Business.
(c) In our opinion and according to the information and explanation given to us, the company has maintained proper records of its inventories. The discrepancies noticed on verification between the physical stocks and book records were not material.
3. (a) Company has not granted loan to the firms or parties covered in the register maintained under section 301 of the Companies Act, 1956. Clause (b), (c), and (d) are not applicable.
(e) In our opinion and according to the information and explanation given to us, the company has taken loan from the firms and parties covered in the register maintained under section 301 of the Companies Act, 1956. The gross amount of such loan taken is Rs. 1,65,90,000/- and the repayment of loan is Rs. 1,65,90,000/-. There is no outstanding balance of such loan as on 31/03/2008.
(f) The loan taken were interest free and in our opinion the other terms and conditions were not prejudicial to the interest of the company.
(g) The company is regular in payment of principal amount,
4. The Company has adequate internal control procedure commensurate with the size of the Company and nature of its Business for purchase of inventory and sale of goods. We have not come across any major weakness in internal control.



5. (d) In our opinion and according to the information and explanation given to us, the transactions that need to be entered into a register in pursuance of section 301 of the Companies Act, 1956, have been so entered.
(b) In our opinion and according to the information and explanation given to us, the transaction made in pursuance of contract or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding rupees five lacs each have been made at prices, which are reasonable having regard to prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted / invited any deposits falling within the preview of Section 58A / 58AA of the Companies Act, 1956 during the financial year.
7. In our opinion, the Company has Internal Audit system commensurate with the size and nature of its Business.
8. As informed to us the Central Govt. has not prescribed the maintenance of cost records by the Company under Section 209 (1) (d) of the Companies Act, 1956.
9. (A) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed Statutory dues including Provident Fund, Investor Education Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Cess and other material statutory dues applicable to it.
(b) According to the information and explanations given to us, no undisputed amount payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty, Excise Duty and Cess were in arrears, as of 31st March, 2008 for a period of more than six months from the date they became payable.
(c) According to the information and explanation given to us, there are no dues of Income Tax, Customs duty, Wealth Tax, Excise duty and Cess which have not deposited on Account of any dispute.
10. The Company has accumulated losses of Rs. 60,14,341.81. However accumulated losses does not exceed fifty percent of it's net worth. During the year company has not suffered any cash loss.
11. The company has no dues outstanding towards financial institution or bank or debenture holders.



12. In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advance on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not 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.
14. Proper records are presented before us for the transactions and contracts relating to dealing or trading in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanations given to us, the Company has not given guarantees for loans taken by others from Bank or financial institutions.
16. The Company has not taken any term loan during the year therefore the question of its application for the purpose for which they were raised does not arise.
17. According to the information and explanation given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long term investment.
18. The Company has not made any preferential allotment of shares during the year to parties and Companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year and therefore the question of creating security in respect thereof does not arise.
20. The Company has not made any Public Issue during the year and therefore the question of disclosing the end use of money does not arise.
21. According to the information and explanations given to us, based upon the audit procedures performed and representations made by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our Audit.

Place : Ahmedabad
Date : 28/08/2008

FOR: PRADIP B. GANDHI & CO.,
CHARTERED ACCOUNTANTS



PB Gandhi
PRADIP B. GANDHI
PARTNER
M.NO.102070

GOYAL ASSOCIATES LIMITED
BALANCE SHEET AS ON 31ST MARCH, 2008

PARTICULARS	SCH NO.	AS ON 31/03/2008		AS ON 31/03/2007	
		Rs.	Rs.	Rs.	Rs.
SOURCES OF FUNDS					
SHAREHOLDER'S FUND					
SHARE CAPITAL	1	30600000.00		30000000.00	
SHARE APPLICATION MONEY PENDING ALLOTMENT	2	1840000.00			
RESERVES AND SURPLUS		0.00	32240000.00	0.00	30600000.00
LOAN FUNDS					
SECURED LOANS		0.00		0.00	
UNSECURED LOANS		0.00	0.00	0.00	0.00
DEFERRED TAX LIABILITIES (NET)			0.00		0.00
TOTAL FUNDS			32240000.00		30600000.00
APPLICATION OF FUNDS					
FIXED ASSETS					
GROSS BLOCK				0.00	
LESS: DEPRECIATION		0.00		0.00	
NET BLOCK		0.00		0.00	
CAPITAL WORK IN PROGRESS		0.00	0.00	0.00	0.00
INVESTMENTS	3		2655650.00		2066250.00
CURRENT ASSETS, LOANS & ADVANCES					
INVENTORIES					
SUNDRY DEBTORS	4	29067622.00		3097622.00	
CASH AND BANK	5	37238345.08		398.75	
OTHER CURRENT ASSETS	6	-3064008.04		8882.06	
LOANS AND ADVANCES	7	0.00		0.00	
		10104918.00		16300.00	
		73376977.04		3626202.81	
LESS: CURRENT LIABILITIES AND PROVISIONS					
CURRENT LIABILITIES	8	49758819.85		0.00	
PROVISIONS	9	48049.00		20137.00	
		49806668.85		20137.00	
NET CURRENT ASSETS			23570008.19		3066065.81
MISC. EXPENDITURE (to the extent not written off or adjusted)	10		6014341.81		6026584.19
TOTAL FUNDS EMPLOYED			32240000.00		30600000.00
ACCOUNTING POLICIES AND NOTES ON ACCOUNT	14				

Schedules 1 to 14 form an integral part of accounts

For, GOYAL ASSOCIATES LIMITED

(DIRECTOR) (DIRECTOR)

Place : Ahmedabad

Date : 28/03/2008

In terms of our report of even date

For, PRADIP B. GANDHI & CO.
 CHARTERED ACCOUNTANTS

CA PRADIP GANDHI
 (PARTNER)
 M. NO. : 102070



GOYAL ASSOCIATES LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31/03/2008

PARTICULARS	SCH NO.	YEAR ENDED		YEAR ENDED	
		31/03/2008		31/03/2007	
		Rs.	Rs.	Rs.	Rs.
SALES			57278981.23		0.00
OPENING STOCK		3597622.00		3597622.00	
PURCHASES		112233514.88		0.00	
DIRECT EXPENSES	12	4966.00		0.00	
		115836102.88		3597622.00	
LESS: CLOSING STOCK		29097622.00		3597622.00	
COST OF GOODS SOLD			56738480.88		0.00
DIRECT INCOME	11		112836.00		285017.90
GROSS PROFIT			553336.38		285017.90
ADD: INDIRECT INCOMES			0.00		0.00
			553336.38		285017.90
LESS: INDIRECT EXPENSES	13		515801.00		284540.33
			37537.38		477.57
LESS: PRELIMINARY EXPS, WRITTEN OFF			0.00		254062.76
NET PROFIT/LOSS BEFORE INTEREST, DEPRECIATION AND TAX			37537.38		-283585.19
LESS: INTEREST			0.00		0.00
NET PROFIT/LOSS BEFORE DEPRECIATION AND TAX			37537.38		-283585.19
LESS: DEPRECIATION			0.00		0.00
NET PROFIT/LOSS BEFORE TAX			37537.38		-283585.19
LESS: PROVISION FOR TAXATION					
			19580.00		0.00
CURRENT TAX			0.00		0.00
DEFERRED TAX LOSS/BENEFIT			3615.00		890.00
FRINGE BENEFIT TAX					
NET PROFIT AFTER TAX			14342.38		-284475.19
PROFIT AVAILABLE FOR APPROPRIATION			14342.38		-412.43
LESS: PROFIT & LOSS A/C B/F			-6028684.19		-6028271.76
BALANCE CARRIED TO BALANCE SHEET			-6014341.81		-6028684.19

Schedules 1 to 14 form an integral part of accounts

In terms of our attached report of even date

For, GOYAL ASSOCIATES LIMITED

(Signature)
 (DIRECTOR) *(Signature)*
 (DIRECTOR)

For, PRADIP B. GANDHI & CO
 CHARTERED ACCOUNTANTS

(Signature)
 CA PRADIP GANDHI
 (PARTNER)
 M. NO. : 102070

Place: Ahmedabad

Date: 23/03/2008



GOYAL ASSOCIATES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2008

Particulars	2007-08 (Rs. in Lacs)	2006-07 (Rs. in Lacs)
Cash Flow from Operating Activities		
Net Profit Before-Tax and Extra Ordinary Items	0.14	-
Adjustment for:		
Depreciation & Preliminary Expenses	-	-
Loss on Sale of Fixed Assets	-	-
Loss on Sale of Investments	-	-
Dividend Received	-	-
Adjustment for Working Capital & Loan & Advances		
1. Debtors	(372.38)	-
2. Stock	(255.00)	-
3. Current Liabilities	497.85	(0.12)
4. Loan & Advances	(100.86)	2.75
Cash Flow from Operating Activities (A)	(230.25)	2.63
Cash Flow from Investment Activities		
Sales of Fixed Assets	-	-
Sales of Investment	316.22	107.00
Purchase of Investments	(133.10)	(109.66)
Dividend Received	-	-
Purchase of Fixed Assets	-	-
Cash Flow from Investment Activities (B)	183.12	(2.66)
Cash Flow from financial Activities		
Acceptance of Loans	165.90	-
Repayment of Loans	(165.90)	-
Share Application Money Received	46.90	-
Share Application Money Repaid	(30.50)	-
Cash Flow from Financial Activities (C)	16.40	-
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	(30.73)	(0.03)
Opening Balance of Cash & Cash Equivalents	0.09	0.12
Balance of Cash & Cash Equivalents	(30.64)	0.09

IN TERMS OF OUR ATTACHED REPORT OF EVEN DATE

FOR: PRADIP B. GANDHI & CO.,
CHARTERED ACCOUNTANT

P.B. Gandhi
PARTNER

PLACE: AHMEDABAD
DATE: 28/08/2008

FOR & ON BEHALF OF THE BOARD
GOYAL ASSOCIATES LIMITED

Sh. K. B. Goyal *K. B. Goyal*
DIRECTOR DIRECTOR

PLACE: AHMEDABAD
DATE: 28/08/2008

GOYAL ASSOCIATES LIMITED

SCHEDULE : 1

SHARE CAPITAL

PARTICULARS	AS ON 31/03/2008	AS ON 31/03/2007
AUTHORISED		
34000000 Equity shares of Rs. 1/- each (Previous Year :- 34000000 Shares)	34000000.00	34000000.00
TOTAL	34000000.00	34000000.00
ISSUED, SUBSCRIBED AND PAID UP		
30600000 Equity shares of Rs. 1/- each fully paid up (Previous Year :- 30600000 Shares)	30600000.00	30600000.00
TOTAL	30600000.00	30600000.00

SCHEDULE : 2

SHARE APPLICATION MONEY

PARTICULARS	AS ON 31/03/2008	AS ON 31/03/2007
Share Application Money Pending Allotment	1640000.00	0.00
TOTAL	1640000.00	0.00

SCHEDULE : 3

INVESTMENTS

PARTICULARS	AS ON 31/03/2008	AS ON 31/03/2007
INVESTMENTS		
Anjani Synthetics Ltd.	2200500.00	2200500.00
G 2 International Export Ltd.	455150.00	5300000.00
Cure Spect Ltd.	0.00	5700000.00
Gujarat Investa Ltd.	0.00	4765000.00
Indicare Pharma Ltd.	0.00	2599750.00
TOTAL	2655650.00	20965250.00
	2655650.00	20965250.00

SCHEDULE : 4

INVENTORY

PARTICULARS	AS ON 31/03/2008	AS ON 31/03/2007
INVENTORY		
Stock	29097622.00	3597622.00
TOTAL	29097622.00	3597622.00
	29097622.00	3597622.00



SCHEDULE : 5

SUNDRY DEBTORS

PARTICULARS	AS ON 31/03/2008	AS ON 31/03/2007
Debts outstanding for a period exceeding six months	1044350.00	0.00
Other Debts	36193995.08	398.75
TOTAL	37238345.08	398.75
TOTAL	37238345.08	398.75

SCHEDULE : 6

CASH AND BANK

PARTICULARS	AS ON 31/03/2008	AS ON 31/03/2007
CASH AND BANK		
Cash	20774.00	4643.00
Bank Balance with HDFC Bank	-3084782.04	-239.06
TOTAL	-3064008.04	882.06
TOTAL	-3064008.04	882.06

SCHEDULE : 7

LOANS AND ADVANCES (ASSETS)

PARTICULARS	AS ON 31/03/2008	AS ON 31/03/2007
LOANS AND ADVANCES (ASSETS)		
S.A.M. Bluefox security & leasing Ltd. (Share Application Money)	9800000.00	0.00
Agarwal Rasayan	504411.00	0.00
TDS 2003	0.00	19300.00
TDS Receivable	507.00	0.00
TOTAL	10104918.00	19300.00
TOTAL	10104918.00	19300.00

SCHEDULE : 8

CURRENT LIABILITIES

PARTICULARS	AS ON 31/03/2008	AS ON 31/03/2007
CURRENT LIABILITIES		
Sundry Creditors	49758819.85	0.00
TOTAL	49758819.85	0.00
TOTAL	49758819.85	0.00



SCHEDULE : 9

PROVISIONS

PARTICULARS	AS ON 31/03/2008	AS ON 31/03/2007
PROVISIONS		
Unpaid Audit Fees	16854.00	19247.00
Unpaid FBT	3615.00	890.00
Unpaid Income Tax	19580.00	0.00
Unpaid Professional Fees	8000.00	0.00
TOTAL	48049.00	20137.00
TOTAL	48049.00	20137.00

SCHEDULE : 10

MISC. EXPENSES (ASSETS)

PARTICULARS	AS ON 31/03/2008	AS ON 31/03/2007
PROFIT AND LOSS A/C	6014341.88	6028684.19
TOTAL	6014341.88	6028684.19
TOTAL	6014341.88	6028684.19

SCHEDULE : 11

DIRECT INCOMES

PARTICULARS	31/03/2008	31/03/2007
DIRECT INCOMES		
Consultancy Fees	105000.00	255300.00
Profit on sale of Shares	0.00	17.90
Profit on sale of Investment	2920.00	0.00
Interest Received	4918.00	0.00
TOTAL	112838.00	285017.90
TOTAL	112838.00	285017.90

SCHEDULE : 12

DIRECT EXPENSES

PARTICULARS	31/03/2008	31/03/2007
DIRECT EXPENSES		
Packing Charges	4966.00	0.00
TOTAL	4966.00	0.00
TOTAL	4966.00	0.00



SCHEDULE : 13

INDIRECT EXPENSES

PARTICULARS	AS ON 31/03/2008	AS ON 31/03/2007
INDIRECT EXPENSES		
Accounting Charges	0.00	18000.00
Audit Fees	16854.00	2247.00
Annual Custody Charges	0.00	29548.00
Advertisement Exps.	2500.00	0.00
Bank Charges	4001.25	1088.28
Bonus	0.00	0.00
Consultancy Charges	0.00	15000.00
Computer Exps.	1200.00	0.00
Conveyance Exps.	14250.00	0.00
Demat Registration Charges	47337.00	0.00
Digital Signature Exps.	0.00	2550.00
Kasr Vatav	398.75	0.00
General Exps.	18779.00	0.00
Listing Fees	0.00	10000.00
Loss on sale of Shares	0.00	95.05
Register Service Charge	0.00	16836.00
Office Exps.	25840.00	0.00
FBT	240.00	0.00
Income Tax	19300.00	0.00
Professional Charges	3253.00	0.00
Professional Fees	8000.00	0.00
Stock Exchange Fees	10500.00	0.00
ROC Fees	8000.00	13500.00
Salary Exps.	343000.00	164850.00
Telephone Exps.	14272.00	10848.00
Travelling Exps.	78076.00	0.00
TOTAL	615801.00	284540.33
	615801.00	284540.33



Goyal Associates Limited

Schedule – 14 :- Accounting Policies & Notes on Accounts

Accounting Policies

1. Method of Accounting :-

Company maintain its account on accrual basis following the historical cost convention in compliance with the Accounting Standards specified to be mandatory by the Institute of Chartered Accountants of India and relevant provision of the Companies Act, 1956.

2. Sales :-

Sales are net of discount and returns if any.

3. Income and Expenditure :-

All incomes and expenditures to the extent considered payable and receivable respectively stated to be otherwise are accounted for on accrual basis.

4. Fixed Assets and Depreciation :-

There is no Fixed Assets hence no depreciation has provided.

5. Inventories :-

Closing stock of shares & securities has been valued at cost.

6. Investments :-

Investments reflected at the end of the year in the balance sheet are long term investments. Provision for reduction / diminution in the value of investments, if any, has not been provided as we have been informed by the management that such reduction or diminution is temporary. In absence of market value and regular quotations of securities, we can not comment on the market value of the securities as on 31/03/2008.



7. Taxes on Income :-

- > Provision for Income Tax is made in the books of account as per the provisions of Income Tax Act, 1961.
- > Provision for Fringe Benefit Tax is made in the books of account as per the provisions of Income Tax Act, 1961.
- > As there is no timing difference provision for DTA/DTL is not made in the books of account.

8. Earning Per Share :-

Basic earning per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earning per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

9. Segment Reporting Policies :-

The company has organized its operations into two business.

- > Trading of Fabrics
- > Trading of Shares and Securities

The analysis of geographical segment is based on the area in which major operating divisions of the company operate.

8. Contingent Liability :-

As informed by the company management, there is no Contingent Liability.



Notes on Accounts

(1) Goyal Associates Limited is a Non Banking Financial Company.

(2) Contingent Liabilities :- Nil

(3) Capital Expenditure Commitments :- Nil

(4) Quantitative Details :-

Quantitative Details regarding Shares

Particulars	Opening stock (Qty.)	Purchase (Qty.)	Sales (Qty.)	Closing Stock (Qty.)
G 2 International Export Ltd.	513946.00	0.00	0.00	513946.00
Gujarat Financial & Capital Ltd.	0.00	225000.00	0.00	225000.00
Shree Roadways Ltd.	0.00	30000.00	0.00	30000.00
Total	513946.00	255000.00	0.00	768946.00

Quantitative Details regarding Fabrics

Particulars	Opening stock (Qty.)	Purchase (Qty.)	Sales (Qty.)	Closing Stock (Qty.)
Fabrics	0.00	2148500.40	2148500.40	0.00
Total	0.00	2148500.40	2148500.40	0.00

(5) Payment to Auditors :

Particular	2007-08	2006-07
For Audit Fees	16854.00	2247.00
For Income Tax Filing Fees	0.00	0.00
For Consultancy Fees	0.00	0.00
Total	16854.00	2247.00



(6) Directors Remuneration :

Particulars	2007-08	2006-07
Salaries	0.00	0.00

(7) Segment Reporting :-

The company has organized its operation into two business:

- Trading of Fabrics
- Trading of Shares and Securities

Particulars	Fabrics (Rs.)	Shares (Rs.)	Total (Rs.)
Sales	87278981.23	0.00	87278981.23
Purchases	86733514.85	25500000.00	112233514.85
Result	545466.38	0.00	545466.38
Less:- Unallocated Exps.	0.00	0.00	620767.00
Add:- Unallocated Income	0.00	0.00	112838.00
Net Profit Before Tax	0.00	0.00	37537.38

Geographical Segments :-

The company has identified geographical segments as within india and outside India.

Particulars	Domestics (Rs.)	Exports (Rs.)
Sales	872981.23	0.00
Purchase	112233514.85	0.00
Net Profit Before Tax	37537.38	0.00



(8) Related Party Disclosure: -

Names of related parties where control exists irrespective of whether transactions have occurred or not. As informed by the management of the company there is no sister concern of the company.

Relationship	Name of the Party
Director	Narendrakumar Bhimsen Goyal Kishnakant Bhimsen Goyal Prashantkumar Rawatkumar Agarwal Vikas Vijaykumar Goyal Vijaykumar Saligram Goyal Rinkuben J. Shah
Relatives	Bhimsen Goyal – HUF Pawankumar Vijaykumar

Transaction with related Parties

Particulars	Directors	Relatives
Sales	0.00	0.00
Purchase	0.00	0.00
Share Purchase	0.00	0.00
Loan Taken	0.00	0.00
Loan Repaid	0.00	0.00
Loan Given	0.00	0.00
Loan received back	0.00	0.00
Share Application Money	0.00	1640000.00
Share Application Money Received	0.00	0.00



(9) Earning Per Share :-

Particulars	2007-08	2006-07
Profit after tax	14342.08	-412.43
The weighted average number of ordinary shares of Rs. 1 each	30600000 Shares	30600000 Shares
Total number of shares		
Earning per Share (basic)/(Diluted)	0.00	0.00

(10) Provision of clause 4D of part II of schedule VI of Companies Act, 1956 regarding value of imports expenditure incurred in foreign currency, amount of remittance in foreign currency, accounts of dividends, export earning etc. are not given as all information required in clauses are Nil.

(11) As per section 383A of Companies Act, 1956, every Company which have paid up share capital of Rs. 2 crore or more are required to have whole time company secretary, as company does not have whole time secretary, so the company has violated the provisions of this section.

(12) We have been informed that Balance of Sundry Debtors, Sundry Creditors, The Kalupur Commercial Co-operative Bank, Loans & Advances given and accepted as agreed by management are subject to confirmation. Confirmations of the same have not been made available to us for verification. Stock is taken as certified by management.

(13) In absence of market value and regular quotations of securities traded, invested or sold, we can not comment whether the prices of such transactions are at arm length prices or not as on 31/03/2008.

(14) The company purchased the shares for investments through off market trading worth Rs. 13310000.00 and sold the investment in shares through off market trading worth Rs.31622520.00. In the absence of available market value, we are unable to identify genuineness of the transactions. The purchase and sales values are taken as certified by management.

(15) In absence of surplus reserves in the profit & loss account, no provision has been made as required u/s 45 (1A) of RBI Act.

(16) Provision for Income Tax and provision for FBT has made in the books of account.



(17) During the year there is following change in the management of the company.

Name	Designation	Particulars of Change	Date of Change
Ashwin Sheth	Director	Resignation	04/12/2007
Jaswant Shah	Director	Resignation	04/12/2007
Narendrakumar Bhimsen Goyal	Director	Appointment	01/11/2007
Krishnakant Bhimsen Goyal	Director	Appointment	01/11/2007
Vikas Vijaykumar Goyal	Director	Appointment	01/11/2007
Vijaykumar Saligram Goyal	Director	Appointment	01/11/2007
Prashantkumar Rawatkumar Agarwal	Director	Appointment	01/11/2007

(18) Previous year figures have been regrouped and rearranged wherever necessary.

(19) The statements of significant Accounting policies and notes numbered 1 to 14 above form an integral part of the accounts for the year ended on 31st March, 2008.

For, GOYAL ASSOCIATES LIMITED



Director



Director

For, Pradip B. Gandhi & Co.
Chartered Accountants.



Partner
(CA Pradip B. Gandhi)
(M.No.102070)

Place :- Ahmedabad.
Date :- 28/08/2008

Place :- Ahmedabad.
Date :- 28/08/2008

[PART IV]
BALANCE-SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
 (or in the case the first return at any time since the incorporation of the company)

I. Registration Details

Registration No.	04-23281	State Code	04
Balance Sheet date	31/03/2008		

II. Capital raised during the year (amount Rs. thousands)

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

III. Position of mobilisation and deployment of funds (amount in Rs. Thousands)

Total liabilities	32,240.00	Total assets	32,240.00
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Sources of funds

Paid-up capital	30,600.00	Reserves and surplus	Nil
Secured loans	Nil	Unsecured loans	Nil

Application of funds

Net fixed assets	Nil	Investments	2,655.65
Net current assets	23,570.01	Misc. expenditure	Nil
Accumulated losses	6,014.34		

IV. Performance of company (amount in Rs. Thousands)

Turnover	87,278.98	Total expenditure	87354.28
Profit/loss before tax	37.54	Profit/loss after tax	14.34
Earning per share in Rs.	Nil	Dividend rate %	Nil

V. Generic names of three principal products/services of company (as per monetary terms)

Item Code No. (ITC Code)
 Product description

Item Code No. (ITC Code)
 Product description

Item Code No. (ITC Code)
 Product description



GOYAL ASSOCIATES LIMITED

ATTENDANCE SLIP

I Shri/Smt. _____ of _____
being a member/ proxy of GOYAL ASSOCIATES LIMITED do hereby record my presence
at the 14th Annual General Meeting of the Members of the Company to be held on
Tuesday the 30th September, 2008 at 10.30 A.M. at the Registered Office of the Company
at 603, 6th Floor, Sakar-III, Off: Ashram Road, Income Tax, Navjivan Post, Ahmedabad: 380
014

Name of Shareholder.

Ledger Folio No.

D.P. NAME:

D.P. I.D.:

CLIENT I.D.:

Number of Shares Held.

Date:

Place: Ahmedabad.

(Signature of the Member/
Proxy attending the meeting)

GOYAL ASSOCIATES LIMITED

PROXY FORM

Name of Shareholder.

Ledger Folio No.

D.P. NAME:

D.P. I.D.:

CLIENT I.D.:

Number of Shares Held.

I Shri/Smt. _____ being a member of GOYAL ASSOCIATES LIMITED, holding _____ Shares in the company do hereby appoint Shri _____ of _____ or failing him Shri _____ of _____ or failing him Shri _____ of _____ to remain present at the 14th Annual General Meeting of the Members of the Company to be held on Tuesday the 30th September, 2008 at 10.30 A.M. at the Registered Office of the Company at 603, 6th Floor, Sakar-III, Off: Ashram Road, Income Tax, Navjivan Post, Ahmedabad: 380 014Gujarat or at any adjournment thereof and to vote for and on my behalf if poll is granted.

Affix
Rs.1/-
revenue
stamp
here

Date:

Place:

(Signature of the member
Appointing a Proxy)