
Goyal Associates Limited

ANNUAL REPORT FOR THE YEAR ENDED
31st March, 2011

Registered Office:

604, Sakar III, 6th Floor, Off-Ashram Road,
Income Tax, Navjivan Post Office,
Ahmedabad-380014.
Telefax: 079-27541687
Email id: info_goyalassociates@yahoo.com

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Corporate Information

Board of Directors

Kishan Choudhary
Vinay Kumar Agarwal
Rahul Sharma
Omprakash Choudhary
Jaipal Singh Parmar

Bankers

HDFC Bank Ltd.

Auditors

Mukesh I Gupta & Co
Chartered Accountants

Registrar and Share Transfer Agent

Sharepro Services (India) Pvt. Ltd
13 AB Samhita Warehousing Complex,
Sakinaka Telephone Exchange Lane,
Off Andheri-Kurla Road, Sakinaka,
Andheri (E), Mumbai - 400 072
www.shareproservices.com

Registered Office

604, SakarIII,6thFloor, Off-Ashram Road,
Income Tax, Navjivan Post Office,
Ahmedabad-380014.
Telefax: 079-27541687
Email: info_goyalassociates@yahoo.com

DIRECTOR'S REPORT

To,

The Members of **Goyal Associates Limited**

Your Directors have pleasure in presenting the 17th Annual Report on the business and operations of the Company together with the audited statement of accounts for the year ended March 31, 2011.

Financial Results :

Particulars	2010-11	(Rs.in lacs) 2009-10
Total Turnover	76.33	455.13
Profit before interest and Depreciation	-1.35	-9.81
Less: Interest	0	0
Profit before Depreciation	-1.35	-9.81
Less: Depreciation	0	0
Less/Add: Prior period expenses/(Income)	0	0
Profit before Tax	-1.35	-9.81
Less: Provisions for :Current Taxation	0	0
Provision for FBT	0	-0.002
Transfer to Reserve U/s 45 (1A) Of RBI Act	0	0
Profit after Taxation	-1.35	-9.98
Balance Brought forward from last year	-68.81	-58.83
Profit available for Appropriation	70.16	68.81
	=====	=====
Appropriation:		
Dividend	0	0
Dividend Distribution Tax	0	0
Balance Carried to Balance Sheet	70.16	68.81
	70.16	68.81
	=====	=====

Dividend

Due to inadequate profit during the year under review, your Directors express their inability to recommend any dividend for the Year under consideration.

Management Discussion and Analysis

Management Discussion and Analysis Report for the year under review is presented in a separate section forming part of the Annual Report.

Review of Operation

During the year under review, the Company has carried out trading of Shares activity.

Public Deposits

The Company has not accepted any deposits from the public during the year review and therefore the provisions of the Companies Act, 1956 read with company's (acceptance of deposit) rules, 1975 are applicable to the Company.

Directors

Following are the changes in the Directorate of the company:-

Mr. Narendrakumar Goyal, Prashantkumar Agarwal, Vikas Goyal and Vijaykumar Goyal has resigned from Directorship of the Company w.e.f. August 30, 2010 and Mr. Krishnakant Goyal has also resigned from Directorship of the Company w.e.f. August 10, 2011.

Mr. Rahul Sharma was appointed as an Independent Director of the Company at the Extra Ordinary General Meeting held on August 8, 2011.

Mr. Omprakash Choudhary and Mr. Jaipal Singh Parmar was appointed as an Additional Director of the company at the Board Meeting held on August 18, 2011 and holds office till the ensuing Annual General Meeting and being eligible, offers themselves for appointment at the ensuing Annual General Meeting.

Resolutions seeking your approval for the appointment of Mr. Omprakash Choudhary and Mr. Jaipal Singh Parmar have been incorporated in the Notice of the forthcoming Annual General Meeting along with brief about them.

Compliance Certificate:-

Compliance Certificate in accordance with Section 383A of the Companies Act, 1956 is included in the Annual Report.

Listing:

The equity Shares of the Company are listed at Ahmedabad Stock Exchange Limited and Bombay Stock Exchange Limited.

Corporate Governance

A separate section on Corporate Governance forming part of the Directors Report is included in the Annual Report.

Auditors and Auditors report

M/s. Hemant S. Jain & Company, Chartered Accountants, appointed as Auditor in the previous Annual General Meeting, tendered resignation due to their inability to continue in that position. M/s. Mukesh I Gupta & Co., Chartered Accountants, were appointed auditor of the company at the Extra Ordinary General Meeting held on September 22, 2010. Their appointment ceases at the ensuing Annual General Meeting and being eligible, offer itself for re-appointment.

The Company has received letters from M/s. Mukesh I Gupta & Co., Chartered Accountants to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956, and that they are not disqualified for such appointment within the meaning of Section 226 of the Companies Act, 1956.

The observations and comments given by Auditors in this report read together with notes to Accounts are self-explanatory and hence do not call for any further comments under Section 217 (3) of the Companies Act, 1956.

Particulars of Employees

There were no employees drawing remuneration more than prescribed under Section 217 (2A) of the Companies Act, 1956.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

In view of the nature of activities which are being carried on by the company, Rules 2A and 2B of the companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 concerning conservation of energy and technology absorption respectively are not applicable to the company.

There has been no foreign exchange inflow during the year under review and the Company has not incurred any expenditure in foreign Currency.

Directors Responsibility Statement

Pursuant to the requirements under Section 217 (2AA) of the Companies Act, 1956, with respect to the Directors Responsibility Statement, it is hereby confirmed that:

- i. In the preparation of the annual accounts for the financial year ended March 31, 2011, the applicable accounting standards have been followed and that there are no material departures from the same;
- ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2011, and of profit of the Company for the said period;
- iii. The Directors have taken proper and sufficient care to the best of their knowledge and

ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for detecting fraud and other irregularities, and

iv. The Directors have prepared the accounts for the financial year ended March 31, 2011 on a 'going concern' basis.

Acknowledgements

Your Directors would like to express their sincere appreciation of the co-operation and assistance received from shareholders, bankers, regulatory bodies and other business constituents during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff resulting in the successful performance of the Company during the year.

On behalf of the Board of Directors

Sd/-

Vinay Agrawal
Director

Sd/-

Omprakash Choudhary
Director

Ahmedabad, September 6, 2011

COMPLIANCE CERTIFICATE

Registration No. of the Company : L74999GJ1994PLC023281
Nominal Capital : Rs. 340 lacs Paid Up Capital : 306 lacs

To,
The Members
Goyal Associates Limited
604, Sakar III, 6th Floor,
Off Ashram Road, Near Income Tax,
Navjivan Post, Ahmedabad – 380014

I/We have examined the registers, records, books and papers of **Goyal Associates Limited** as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2011. In my/our opinion and to the best of my/our information and according to the examinations carried out by me/us and explanations furnished to me/us by the company, its officers and agents. I/we certify that in respect of the aforesaid financial year :

- 1 The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The company being a public limited company, comments are not required.
4. The Board of Directors duly met 9 times during the financial year, in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The company closed its Register of Members between 4th August, 2010 to 10th August, 2010 (both days inclusive) during the financial year.
6. The annual general meeting for the financial year ended on 31/03/2010 was held on 10/08/2010 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. One Extra ordinary general meeting was held during the financial year after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
8. The company has not advanced loans to its directors or persons or firms or Companies referred to under Section 295 of the Act.

9. The company has duly complied with the provisions of section 297 of the Act in respect of contracts specified in that section.
10. The company has made necessary entries in the register maintained under section 301 of the Act.
11. There were no instances falling within the purview of section 314 of the Act.
12. The company has not issued any duplicate certificates during the financial year.
13. The Company has :
 - (i) There being no transaction, the company was not required to deliver any certificates on allotment of securities and on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act;
 - (ii) The Company was not required to deposit any amount in a separate Bank Account as no dividend was declared during the financial year.
 - (iii) The Company was not required to post warrants to any member of the company as no dividend was declared during the financial year.
 - (iv) There being no transaction, the company has not transferred the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.
 - (v) duly complied with the requirements of section 217 of the Act.
14. The Board of directors of the company is duly constituted. There have been appointments of additional directors, alternate directors and directors to fill casual vacancy during the financial year.
15. The Company has not made any appointment of Managing Director / Whole-time director / Manager during the year.
16. The company has not appointed any sole selling agents during the financial year.
17. The company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the financial year.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The company has not issued shares / debentures / other securities during the year under review.
20. The company has not bought back any shares during the financial year.
21. The Company has not redeemed preference shares or debentures during the financial year.

22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The company has not invited/accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.
24. There was no transaction falling under Section 293(1)(d) of the Act, during the financial year.
25. The company has not made any loans or advances or given guarantees or provided securities to other bodies corporate in compliance with the provisions of the Act and consequently no entries have been made in the register kept for the purpose.
26. The company has not shifted the situation of the company's registered office from one State to another during the year under scrutiny. Hence there is no applicability to alter the provisions of memorandum of the Company.
27. The company has not altered the provisions of the Memorandum with respect to the objects of the company during the year under scrutiny.
28. The company has not altered the provisions of the Memorandum with respect to name of the company during the year under scrutiny.
29. The company has not altered the provisions of the Memorandum with respect to share capital of the company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was/were no prosecution initiated against or show cause notices received by the company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act.
32. The company has not received any money as security from its employees during the financial year.
33. The company has not constituted any separate Provident Fund of employees or any class of employees as envisaged under section 418 of the said Act.

For VMR & Associates

Sd/-

(V. M. Rathi)
C. P. No. 3701

Place : Mumbai
Dated : 06/09/2011

Annexure A

Registers as maintained by the Company

1. Register of Members u/s 150 (1)
2. Register of Contracts, Companies and Firms in which directors are interested u/s 301
3. Register of Directors , Managing Directors u/s. 303 (1)
4. Register of Directors share holding u/s 307 (1).
5. Books of Accounts u/s 209 of the Companies Act, 1956
6. Minutes Book for Board Meetings
7. Fixed Assets Register
8. Minutes Book for General Meetings
9. Copies of Annual Returns

Annexure B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2011.

S.No.	Form No. / Return	Filed for under section	Date of filing	Whether filed within prescribed time Yes/No	If delay in filing whether requisite additional fee paid Yes / No
1	FORM 20B	159	12.10.2010	NO	YES
2	FORM 23AC-ACA220		12.10.2010	NO	YES
3	FORM 66	383A	12.10.2010	NO	YES
4.	FORM 32		03.07.2010	YES	NA
5.	FORM 32		06.09.2010	YES	NA
6.	FORM 32		14.09.2010	NO	YES

Management Discussion And Analysis:

Industry Structure and Development

The financial services sector in India has witnessed a fundamental transformation since the country was liberalized. India, in the last few years, has emerged as the one of the most rapidly growing economies across the globe. The financial services market is growing rapidly, and there is significant potential for further growth.

India has a strong financial regulatory system – controlled by RBI and supported by regulatory body such as Securities and Exchange Board of India (SEBI) and Insurance Regulatory and Development Authority, which govern capital markets, mutual funds and insurance companies. The government has taken many steps to encourage investments in the financial sector.

The Indian high savings rate offers noteworthy opportunity to put resources into the financial markets. The country has a favorable demographic profile with a large segment of the population under 30 years. The Census 2011 shows that 56.9 per cent of India's total population comes in the age group 15-59 years. The country will witness a sharp decline in the dependency ratio over the next thirty years – which will be a great dividend. As the dividend begins to pay off, with the working age-group population rising disproportionately over the next two decades, the savings rate is likely to rise further.

In an effort to support hedging of currency risks for non-resident exporters and importers, the RBI has issued norms permitting them to either use overseas banks or those in the country to settle foreign trade transactions invoiced in the Indian rupee.

Further, the Finance Ministry is stepping up its efforts to widen the class of foreign investors in the Indian stock market. This is evident from the fact that first, the government gave the green signal for qualified foreign investors (QFIs) to invest in mutual funds, and now, individual investors from across the globe are expected to soon get the right to buy blue-chip Indian stocks. However, the tight monetary policy may have a negative affect on the demand growth & investment activity and the consequent degrading in the earning capacity of companies. This may have a negative impact on the stock markets. FDI flows in 2010-11 have seen a slowdown from the previous year, second time in a row, which is a matter of concern as high growth economies tend to have positive FDI flows which enhances the rate of economic growth.

Opportunities and Threats

Opportunity:

The company's present focus is on fund to be invested into the stock markets. Company is using its own funds and has not borrowed any funds. That makes the company in position to take more risky decisions for investment. In India people aspire to invest in investment products and services. The company has developed and is developing products to meet the demand. There is great potential in India to invest in the market by providing them opportunity to invest their funds. This market is being approached by the company through direct mail, targeted advertising and community seminars.

The company has advanced technology team that delivers market leading products innovation and also having strong and experienced promoters as well as Board of Directors group to develop the business of the company.

Threats:

With the rapidly expanding Indian Market and presenting a host of opportunities in the financial services sector, there are many players who are venturing in this business therefore there is threats of the tough competition to the company.

Segment–Wise or Product-Wise Performance

During the year under review, the Company has carried out a single business activity namely “Trading of Shares”; hence there is no segment wise or product wise performance of the Company in last financial year.

Outlook

Indian capital markets witnessed a challenging year with volatile FII net flows, muted retail participation in equities, growing shift towards low-yielding options and lower value of ECM deals. These were reflected in the overall market performance as well as in our own business performance.

We strongly believe that India is a great growth story and is likely to become a US\$ 5 trillion economy by 2020. Backed by strong savings, there would be fabulous growth opportunities for firms operating in the financial services space.

During the current year, we have laid a strong foundation for our business to scale up and grab a meaningful share of these opportunities.

Risks and Concerns

While any business is far from being a risk free activity, the financial services sector is more prone to risk. To combat this Money Matters follows a process of risk management that comprises risk identification, risk analysis and measurement. This is followed by creating a suitable risk mitigation or management framework covering control activities/procedures.

The following are the broad categories of risks identified:

- 1) Market Risk
- 2) Compliance Risk
- 3) Operational Risk
- 4) Technology Risk
- 5) Finance Risk
- 6) Project Execution Risk
- 7) Liquidity Risk

The Company has instituted a self-governed Risk Management framework based on identification of potential risk areas, evaluation of risk intensity, and clear-cut risk mitigation policies, plans and procedures both at the enterprise and operating levels. The framework seeks to facilitate a common organizational understanding of the exposure to various risks

and uncertainties at an early stage, followed by timely and effective mitigation. The Audit Committee of the Board reviews the risk management framework at periodic intervals.

Internal Control System and Their Adequacy:

The company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and those transactions are authorized, recorded and reported correctly. The internal control system is supplemented by an extensive program of internal audit review by management and documented policies, guidelines and procedures.

The company has an effective system in place towards achieving efficiency in operations, optimum and effective utilization of resources monitoring thereof and compliance with applicable laws. This is continually reviewed for effectiveness and is augmented by written policies and guidelines, the careful selection of qualified personnel.

Financial Performance

The company's financial performance is disclosed in detail under the head 'Financial Performance' in the Directors' Report. The summary of our financial position as at March 31, 2011 and 2010 is as follows:

Particulars	31st March 2011	31st March 2010
Sources of funds		
Shareholders' funds :		
Share Capital	30600000	30600000
Reserves and Surplus	73774	73774
Loan funds :		
Secured Loans	0	0
Unsecured Loans	0	12945570
Total	30673774	43619344
Application of funds		
Net Fixed Assets	0	0
Investments	0	455150
Current assets & Loans and Advances	13423659	38666711
Less: Current Liabilities & Provisions	-10280698	2383871
Net Current Assets	23704357	36282840
Profit & Loss Account (to the extent not written off)	6969417	6881354
Total	30673774	43619344

Human Resources

Human resource is a valuable asset of the Organization which plays a vital role in achieving sustainable competitive advantage and excellence in value creation through engaging and involving its workforce. The Human Resource function endeavors to create congenial work environment and synchronizes the working of all departments of an Organization to accomplish their objectives which in turn helps the Organization to build and achieve its vision, mission and goals & strategy. The Company is committed to recruit and retain suitable talent with focus on people development and paving the way for organizational betterment in the competitive and fast changing business environment.

Corporate Social Responsibility

We continue to strive for sustainability in our operations by promoting the integration of CSR into our business strategy as well as our everyday functioning.

We committed to focus on areas namely environment, community development, education, women's empowerment, social awareness and health.

Cautionary Statement

Statements made in this Management Discussion and Analysis contain certain forward looking statements based on various assumptions on the Company's present and future business strategies and the environment in which it operates. Actual results may vary significantly from the forward looking statements contained in this document due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India, new government regulations and policies that may impact the Company's business as well as its ability to implement the strategy. The information contained herein is as of the date referred and the Company does not undertake any obligation to update these statements.

Corporate Governance Report

A. Our Governance Philosophy:

Corporate Governance is the relationship between corporate manager, directors and the providers of equity, people and institutions who save and invest their capital to earn a return. It ensures that the Board of Directors is accountable for the pursuit of corporate governance objectives and that the corporation itself conforms to the law and regulations. This will lay the foundation for further development of superior governance practices, vital for successful business in the interest of all stakeholders in the best possible manner. We believe that governance process should be such as to ensure proper utilization of resources in a manner intended to meet the expectation of the shareholders. We believe in transparency, empowerment, accountability, safety of people and environment and we lay emphasis on Business ethics in all dealings.

B. Board of Directors:

I. Board Composition

The composition of Board is compliant with the requirements of Clause 49 (IA) i.e. combination of executive and non-executive directors with not less than fifty percent of the board of directors comprising of non-executive directors.

The Composition of the Board and other relevant details relating to Directors during the financial year 2010-11 is as under:

Sr. No.	Name of Director	Category of Directorship	No. of other Directorship *	No. of other Committee Members/ Chairman
1.	Mr. Krishnakant Goyal	Executive	3	2
2.	Mr. Prashant Agrawal	Non-Executive & Independent	2	4
3.	Mr. Vijay Kumar Goyal	Non-Executive & Independent	1	4
4.	Mr. Vikas Goyal	Non-Executive & Independent	2	2
5	Mr. Narendrakumar Goyal	Executive	2	Nil
6	Mr. Kishan Choudhary	Non-Executive & Independent	1	4
7	Mr. Vinay Kumar Agarwal	Executive	1	2
8	Mr. Rahul Sharma	Non-Executive & Independent	Nil	Nil
9	Mr. Omprakash Choudhary	Executive	Nil	Nil
10	Mr. Jaipal Singh Parmar	Non-Executive & Independent	Nil	Nil

* None of the Directors are related to each other on the Board

**Excluding directorship in, private companies, foreign companies and companies under Section 25 of the Companies Act, 1956

- 1) Mr. Prashant Agrawal, Mr. Vijay Kumar Goyal, Mr. Vikas Goyal and Mr. Narendrakumar resigned on August 30, 2010.
- 2) Mr. Rahul Sharma was appointed as independent Director of the company w.e.f. August 8,2011
- 3) Mr. Krishnakant Goyal resigned as director on August 10, 2011.
- 4) Mr. Jaipal Singh and Mr. Omprakash Choudhary were appointed as additional director w.e.f August 18, 2011

- 5) None of directors on the Board are members in more than ten committee and they do not act as chairmen of more than five committees across all companies in which they are directors.
- 6) None of directors on the Board have shares and convertible instruments.

The Company did not have any pecuniary relationship and transaction with any of the Non-Executive Directors during the year under review.

The Board of Directors met nine times during the Financial Year 2010-11. Board Meetings were held on 30th April, 15th June, 3rd July, 16th July, 10th August, 30th August, 25th October in 2010 and on 28th January, 22nd March in 2011.

The information as required under Annexure 1A of Clause 49 of the listing agreement is being regularly placed before the Board. The Board also reviews the declaration made by the Executives of the Company regarding compliance with all laws applicable to the Company on a quarterly basis.

Attendance of each Director at the Board of Directors meetings during the year and at the last Annual General Meeting are as indicated below:

Sr. No.	Name of Director	Board Meeting Attended out of 9 meetings of the Board of Directors	Whether Attended Last AGM
1.	Mr. Krishnakant Goyal	4	Yes
2.	Mr. Prashant Agrawal	5	Yes
3.	Mr. Vijay Kumar Goyal	3	Yes
4.	Mr. Vikas Goyal	5	Yes
5	Mr. Narendrakumar Goyal	4	Yes
6	Mr. Kishan Choudhary	6	Yes
7	Mr. Vinay Kumar Agarwal	8	Yes
8	Mr. Rahul Sharma	4	No

C. Board Committees:

Our Company has three major Board level Committees:

- i. Audit Committee
- ii. Shareholders/ Investor Grievance Committee
- iii. Remuneration Committee

All the decisions pertaining to the constitution of the Committees, appointment of members and fixing of terms of reference for the Committee is taken by the Board of Directors. Recommendations of the committees are submitted to the entire Board for approval. Details on the role and composition of these Committees, including the number of meetings held during the financial year and the attendance of the members at these meetings, are provided below:

i. Audit Committee

The Audit Committee of the Board was reconstituted on August 10, 2011. The composition of the committee is—

Mr. Kishan Choudhary	-Chairman
Mr. Rahul Sharma	-Member
Mr. Vinay Agrawal	-Member

Terms of Reference

The terms of reference of this Committee are very wide. It is empowered to review Financial Statements, management discussion and analysis, material individual transactions with related parties not in normal course of business or which are not on an arm's length basis. Generally all items listed in Clause 49II D of the Listing Agreement are covered in the terms of reference. The Audit Committee has been granted powers as prescribed under Clause 49 II C.

Audit Committee attendance during fiscal 2011.

The Committee had 6 meetings during the year under review, i.e. April 28, 2010, May 29, 2010, August 11, 2010, October 25, 2010, November 15, 2010 and February 12, 2011.

The names of the Directors who are/were members of the Audit Committee during the year under review and their attendance at Audit Committee Meetings are given below:

Name of the Directors	No of Meetings	
	Held	Attended
Mr. Kishan Choudhary	6	6
Mr. Krishnakant Goyal*	6	6
Mr. Vinay Kumar Agrawal	6	6
Mr. Rahul Sharma	NIL	NIL

* Mr. Krishnakant Goyal resigned as director on August 10, 2011

ii. Shareholders/Investor Grievance Committee

The Shareholders/Investor Grievance Committee of the Board was reconstituted on August 10, 2011. The composition of the committee is—

Mr. Rahul Sharma -Chairman
Mr. Kishan Choudhary -Member
Mr. Vinay Kumar Agrawal -Member

Terms of Reference

The committee looks into the redressal of complaints of investor such as transfer or credit of shares, non- receipt of dividend/notices/annual reports, etc. The committee oversees the performance of the Registrars and Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services.

Shareholders/Investor Grievance Committee Attendance during the year

The committee met four times during the year under review i.e. May 29, 2010; August 14, 2010; November 11, 2010 and February 12, 2011.

The names of the Directors who are/were members of the Shareholders/Investor Grievance Committee during the year under review and their attendance at Shareholders/Investor Grievance Committee Meetings are given below:

Name of the Directors	No of Meetings	
	Held	Attended
Mr. Kishan Choudhary	6	6
Mr. Krishankant Goyal*	6	6
Mr. Vinay Kumar Agrawal	6	6
Mr. Rahul Sharma	NIL	NIL

* Mr. Krishnakant Goyal resigned as director on August 10, 2011

Name and designation of Compliance Officer:

Vinay Agrawal

Phone: 079-27541687

Email id: info_goyalassociates@yahoo.com

Status Report of Investor Complaints for the year ended March 31, 2011

No of Complaints Received – 5

No of Complaints Resolved – 5

No of Complaints Pending - Nil

iii. Remuneration Committee

The Remuneration Committee of the Board was reconstituted on August 10, 2011. The composition of the committee is—

Mr. Kishan Choudhary -Chairman

Mr. Rahul Sharma -Member

Mr. Vinay Agrawal -Member

Terms of Reference

The remuneration committee determines and recommends to the Board the remuneration payable to the directors and senior management.

Remuneration Committee Attendance during the year

No remuneration was paid & no Committee meeting was held during the year under review.

Remuneration Policy

Though there is no written Remuneration Policy, the Committee recommends to the Board, remuneration package of the Non-Executive Director/s, on the Board of the Company, keeping in view the relevant provisions of the Companies Act, 1956, performance, experience and market conditions, employment scenario, and remuneration packages of managerial talents of comparable industries. It is ensured that the remuneration package is appropriate with the responsibilities involved which helps retain the talent.

D. General Body Meetings:

The details of the Annual General Meetings held in the past three years and the special resolutions passed thereat are as follows:

Year	Date	Venue	Time	No. of Special Resolution Passed
2007-08	Sept 30, 2008	603, 6th Floor, Sakar-III, Income Tax, Off. Ashram Road, Navjivan Post, Ahmedabad: 380 014	10.30 A.M	NIL
2008-09	Sept 23, 2009	604, 6th Floor, Sakar-III, Income Tax, Off: Ashram Road, Navjivan Post, Ahmedabad: 380 014	10.00 A.M	NIL
2009-10	August 10, 2010	604, 6th Floor, Sakar-III, Income Tax, Off: Ashram Road, Navjivan Post, Ahmedabad: 380 014	10.00 A.M	NIL

No Postal Ballot was conducted during the financial year 2010-11. None of the resolutions proposed for the ensuing Annual General Meeting is required to be passed by Postal Ballot.

E. Disclosures

- (i) **Code of Conduct:** The Company has adopted the code of conduct and for directors and senior management. The code has been circulated to all the members of the Board and senior management. The Board members and senior management have affirmed their compliance with the code of conduct. The Code of Conduct is also displayed on the Company's website. The Annual Report of the Company contains a Certificate duly signed by the Director (CEO) in this regard.
- (ii) **Related Party Transactions:** During the year under review, no transactions of material nature had been entered into by the Company with the Promoters or Directors or Management, their Subsidiaries or their relatives that may have a potential conflict with interest of the Company except for those disclosed in the financial statements for the year ended March 31, 2011.
- (iii) **Accounting Standards:** The Company follows the mandatory Accounting Standards prescribed by the Institute of Chartered Accountants of India and to the best of its knowledge there are no deviations in the accounting treatments that require specific disclosure.
- (iv) **Risk Management:** The Company has a well-defined risk management framework in place. The risk Management framework adopted by the Company is discussed in the Management Discussion and Analysis chapter of this Annual Report. The Board assesses the risk and the procedures being followed by the Company and steps taken by it to mitigate these risks.
- (v) **CEO / CFO Certification:** The CEO/CFO certificate for the financial year ended March 31, 2011 is annexed hereto.
- (vi) **Details of Compliances**
 - a) The company is being suspended from the Bombay Stock Exchange due to non-compliance of listing agreement. Further the company has started the process to comply with all the pending compliance and revoke the suspension at the earliest. There have been no instances of non-compliance on any matter as regards the rules and regulations

prescribed by the Securities and Exchange Board of India or any other statutory authority relating to capital markets during the last three years except the mentioned above. No penalties or strictures have been imposed by them on the Company.

- b) The Company has implemented the mandatory requirements of Corporate Governance as set out in the Listing Agreement during the year under review. A certificate from Auditor certifying the compliance by the Company with the provisions of Corporate Governance of the Listing Agreement is annexed hereto.
- (vii) **Secretarial Audit:** Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, certificates on half-yearly basis, have been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company. Pursuant to SEBI (Depositories and Participants) Regulations, 1996, certificates have also been received from a Company Secretary-in-Practice for timely dematerialisation of the shares of the Company and for conducting a secretarial audit on a quarterly basis for reconciliation of the share capital of the Company.

F. Means of Communication

- (i) The quarterly un-audited financial results are put up on Company's website. The half yearly report is not sent separately to the Shareholders. Annual Reports are sent to the shareholders at their registered address with the company and also put up on Company's website www.goyalassociatesltd.com.
- (ii) The Management Discussion and Analysis Report, in compliance with the requirements of Clause 49 of the Listing Agreement is annexed to the Directors' Report and forms part of this Annual Report being sent to all the members of the Company. All matters pertaining to industry structure and developments, opportunities and threats, segment/product wise performance, outlook, risks and concerns, internal control and systems, etc. are discussed in the said report.
- (iii) The Company's website is a comprehensive reference on Goyal Associates's management, corporate governance, investor relations, updates and news. The section on 'Investor Relations' serves to inform the shareholders, by giving complete financial details, shareholding patterns, corporate benefits, information relating to Compliance officer, registrars and share transfer agents.

G. General Shareholder Information

Date, time and venue of AGM	Friday, 30 th September .2011, 10.00 a.m. at the registered office of the Company at 604, Sakar III, 6 th Floor, Off-Ashram Road, Income Tax, Navjivan Post Office, Ahmedabad 380014.
Financial Year	1 st April 2010 to 31 st March 2011
Dates of Book Closure	Tuesday 27 th September , 2011 to Thursday 29 th September, 2011 (Both the days inclusive)
Dividend Payment Date	N. A.
Financial Calendar Period (tentative) - Quarter ending 30th Jun 2011	Board Meeting to approve quarterly financial results - End July 2011

- Quarter ending 30th Sep 2011 - Quarter ending 31st Dec 2011 - Quarter ending 31st Mar 2012	- End October 2011 - End January 2012 - April / May 2012
Listing on Stock Exchanges	The Bombay Stock Exchange Limited, Mumbai and Ahmedabad Stock Exchange Limited, Ahmedabad.
Listing Fees	Listing fees as prescribed have been paid to all these stock exchanges up to 31st March 2012.
Stock Code	Bombay Stock Exchange Limited – 530663 Ahmedabad Stock Exchange Limited- 19629
Demat Arrangement	With NSDL and CDSL
ISIN NO.	INE 912B01024
Registered Office	604, Sakar III, 6 th Floor, Off-Ashram Road, Income Tax, Navjivan Post Office, Ahmedabad-380014.
Compliance officer & Contact Address	Mr. Vinay Agrawal 604, Sakar III, 6th Floor, Off-Ashram Road, Income Tax, Navjivan Post Office, Ahmedabad-380014. Phone: 079-27541687 Email id: info_goyalassociates@yahoo.com
Registrar and Share Transfer Agent	Sharepro Services (India) Pvt. Ltd. 13 AB Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri-Kurla Road, Sakinaka, Andheri (E), Mumbai - 400 072 Email id: sharepro@shareproservices.com Tel No.: 91-22-6772 0300/400 Fax No.: 91-22-2859 1568

*The RTA office control has been shifted from the Ahmedabad branch to Mumbai Head office due to expansion of the area of working of the RTA in the Depository connectivity for NSDL/ CDSL.

Share Transfer System

Shareholders / Investors are requested to send share transfer related documents directly to our Registrar and Transfer Agent whose address is given elsewhere in this report. The Board has delegated powers to the executives of the Company and RTA to approve transfers/transmission / dematerialisation / rematerialisation. If the transfer documents are in order, the transfer of shares is registered within 7 days of receipt of transfer documents by our RTA.

Investor Services

Number of complaints from shareholders during the year ended March 31, 2011

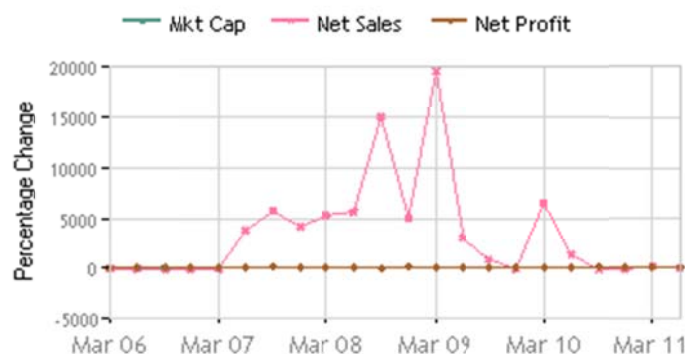
Complaints outstanding as on 1st April 2010	1
Complaints received during the year ended 31st March 2011	5
Complaints resolved during the year ended 31st March 2011	5
Complaints pending as on 31st March 2011	1

Market Price Data:

As the Trading of Company's securities is suspended, there is no monthly High, Low price of the Company's shares in last financial year.

Performance in comparison to broad-based indices with Sensex i.e. BSE Sensex

Performance Chart



The equity shares were last traded in September 2006 at a price of Rs. 0.31 per share. The trading in the securities was suspended since September 2006.

Distribution of Shareholding as on March 31, 2011

No. of shares	No. of shareholders	% of holders	No. of shares	% of shares
Up to 500	868	15.45%	332380	1.09%
501 – 1000	1400	24.92%	1380948	4.51%
1001 – 2000	954	16.98%	1797897	5.88%
2001 – 3000	435	7.74%	1205942	3.94%
3001 – 4000	191	3.40%	734853	2.40%
4001 – 5000	687	12.23%	3413220	11.15%
5001 – 10000	626	11.14%	5358303	17.51%
10001 and above	457	8.13%	16376457	53.52%
TOTAL	5618	100%	30600000	100%

Categories of Shareholders as at March 31, 2011

Sr. No	Description	No. of Shares	% to Capital
A.	Promoters & Promoters Group	22,000	0.07%
B.	Public Shareholding		
	-Institutions		
	Financial Institutions/Banks	1,50,000	0.49%
	- Non-institutions		
	Bodies Corporate	19,65,796	6.42%
	Individuals	2,79,05,390	91.19%
	NRI/OCBs	2,86,722	0.94%
	Clearing Member	2,70,092	0.88%
	Total	3,06,00,000	100%

Dematerialization of Shares and Liquidity

As on 31st March 2011, 99.93 % of the Company's total shares representing 3,03,94,100 shares were held in dematerialized form and the balance 0.07 % representing 2,05,900 shares were in Physical form.

Outstanding GDRs / ADRs / Warrants or any Convertible Instruments: None

Stock option scheme: None

Plant Location:

The Company is in the business of providing financial services, it does not have any manufacturing plants.

Address of Correspondence

Shareholders may correspond with the Registrar and Transfer Agent, at the address mentioned here in above on all matters relating to transfer of shares and credit of shares in Demat Account.

Members may contact Mr. Vinay Agrawal, Compliance Officer for all investor related matters at the registered office of the company at the following address:

Goyal Associates Limited

604, Sakar III, 6th Floor, Off-Ashram Road,
Income Tax, Navjivan Post Office,
Ahmedabad-380014
Telefax: 079-27541687
Email id: info_goyalassociates@yahoo.com

On behalf of the Board of Directors

Sd/-

Vinay Agrawal
Director

Sd/-

Omprakash Choudhary
Director

Ahmedabad, September 6, 2011

Certificate on Compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement

To,

The Members of **Goyal Associates Limited**

We have examined the compliance of conditions of Corporate Governance by Goyal Associates Limited for the year ended 31 March 2011, as stipulated in clause 49 of the listing agreement of the said company with the stock exchanges in India.

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

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

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

For **Mukesh I Gupta & Co**
Chartered Accountants
F.R.No.326918E

Sd/-

CA Mukesh Gupta
Proprietor
Membership No.64413
Mumbai, September 6, 2011

Certification by the Chief Executive Officer on Code of Conduct

To,

The Members of **Goyal Associates Limited**

I, Vinay Agrawal, Director & CEO of the Company declare that all Board Members and Senior Management of the Company have affirmed compliance with the code of conduct.

For **Goyal Associates Limited**

Sd/-

Vinay Agrawal
Chief Executive Officer
Mumbai, September 6, 2011

Chief Executive Officer's Certification

I, Vinay Agrawal, Director & Chief Executive Officer, responsible for the finance function certified that:

- (a) I have reviewed financial statements and the cash flow statement for the year ended March 31, 2011 and that to the best of my knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of my knowledge and belief, no transactions entered into by the company during the year ended March 31, 2011 which are fraudulent, illegal or violative of the company's code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) I have indicated to the Auditors and the Audit Committee:
 - i. Significant changes in internal control over financial reporting during the year;
 - ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which I might be aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Thanking You
Yours faithfully,

Sd/-

Vinay Agrawal
Chief Executive Officer
Mumbai, September 6, 2011

MUKESH I GUPTA & CO
CHARTERED ACCOUNTANTS

7A, Bentick Street,
Old Wing, 2nd Floor, Kolkata-700001
Phone No. : (O) 22622052

AUDITOR'S REPORT

TO,
THE MEMBERS OF,
GOYAL ASSOCIATES LTD

- 1) We have audited the attached Balance Sheet of GOYAL ASSOCIATES LTD as at 31st March, 2011 and also the Profit & Loss Account of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We have conducted our audit in accordance with 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 misstatement. 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 statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Govt. of India in terms of Section 227(4A) of the Companies Act, 1956, we have enclosed in the Annexure a statement on the matters specified in the paragraph 4 & 5 of the said order.
- 4) Further to our comments in the Annexure (A) referred to above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion proper Books of Accounts as required by law, have been kept by the Company so far as appears from our examination of those books.

- c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
- d) In our opinion, the balance sheet, profit & loss account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act,1956;
- e) On the basis of written representation received from the Directors as on 31st March, 2011 and taken on record by the Board of Directors we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of the section 274 of the Act, 1956;
- f) In our opinion and to the best of our information and according to explanations given to us, the said accounts give the information required by the companies Act, 1956, in the manner so required and 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, 2011
 - (b) in the case of the profit and loss account, Loss for the year ended on that date.
 - (c) in case of the cash flow statement, of the cash flows for the year ended on that date.

Place : Ahmedabad
Date : 06/09/2011

FOR, MUKESH I GUPTA & CO
Chartered Accountants,
FRN-326918E
Sd/-
(CA Mukesh Gupta)
Proprietor
M.N.64413

**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE AUDITOR'S REPORT OF
EVEN DATE**

- (i) (a) The company does not have any fixed Assets during the year so other details are not applicable.
- (ii) (a) According to the information and explanation given to us, inventory has been physically verified by the management during the year and at the end of the year. In our opinion, the frequency of verification is reasonable having regard to the size of the company and the nature of its business.
 - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relating 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 inventory; No material discrepancies were noticed on verification between the physical stocks and book records.
- (iii) (a) The company has not granted any unsecured loan to any company or any other party covered in the register maintained under section 301 of the Companies Act, 1956.
 - (b) In our our opinion the rate of interest and other terms and conditions of such loans, if any, are not, prima facie, prejudicial to the interest of the company. *However, internal control system for interest free loans and outstanding need to be strengthened.*
 - (c) The parties have repaid the principal amount as stipulated and have also been regular in the payment of interest to the company.
 - (d) There is no overdue amount in excess of Rs.1 lakh in respect of loans granted/taken to/from companies, firms or other parties listed in the register maintained under section 301 of the companies act, 1956.
 - (e) The company has taken loan from 2 Companies, 1 firm and 1 other party covered in the register maintained under section 301 of the companies act, 1956. The maximum amount involved during the year was Rs. 1,29,45,570/- and the year-end balance was Rs. Nil.
 - (f) The loan taken were interest free and in our opinion other terms and conditions of loan taken from company, firm and other parties listed covered in the register maintained under section 301 of the companies act, 1956 are not, prima facie, prejudicial to the interest of the company.
 - (g) The company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest.
- (iv) In our opinion, and according to the information and explanation given to us, there are adequate internal control system commensurate with size of the company and the nature of its business through personal supervision of management of the company with regard to purchase of inventories, fixed

assets and for the sale of goods. During the course of audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the company.

- (v) (a) According to the information and explanation given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered. There were no contracts to be recorded U/s 301 of the Companies Act, 1956
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the companies Act, 1956 and exceeding the value of Rs. 500000/- in respect of any party during the year have been made at price which are reasonable having regard to the prevailing market price at the relevant time.
- However, in absence of intrinsic value and market quotation of unlisted companies we can not comment on whether the price of such transactions are at arm length prices or not.
- (vi) The company has not accepted any deposit from public and hence the question of applicability of directives issued by the Reserve Bank of India and the provisions of section 58A, 58AA or any other relevant provisions of the companies Act, 1956 and the rules framed there under, does not arise.
- (vii) In our opinion, based on the information and explanation given to us, the company has no internal audit system commensurate with its size and the nature of its business operation.
- (viii) Based on the information and explanations given to us maintenance of cost records have not been prescribed by the central government under clause (d) of subsection (1) of section 209 of the Act.
- (ix) (a) According to the information and explanation given to us, the company is generally 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, service tax, custom duty, excise duty, income tax, cess and other material statutory dues, applicable to it.
- Further, since the central government has till date not prescribed the amount of cess payable under section 44IA of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.
- (b) According to the information and explanation given to us no undisputed amounts payable in respect of income tax, wealth tax, sales tax, custom duty, service tax, excise duty and cess were in arrears as at 31st March, 2011 for a period of more than 6 months from the date they became payable to it.
- (c) According to the information and explanation given to us, there are no dues

outstanding of income tax, wealth tax, sales tax, service tax, custom duty, excise duty and cess on account of dispute.

- (x) There are accumulated losses of Rs 69,69,417 of the company at the end of the year. However accumulated losses does not exceed fifty percent of it's net worth. Further, the company has not incurred cash losses during the financial year covered by our audit and the immediately preceeding financial year.
- (xi) In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of dues to financial institutions, bank or debenture holders.
- (xii) According to the information and explanation given to us and based on the document and records produced to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debenture and other securities.
- (xiii) In our opinion, the company is not a chit fund of Nidhi/Mutual benefit fund/ Society. Hence, provisions of clause 4 (xiii) of the companies (Auditors Report) order, 2003 are not applicable to the company.
- (xiv) The company has maintained proper records of the transactions and contracts and timely entries have been made therein regarding dealing in shares, securities and other investments. Shares, securities, debentures and other investments have been held by the company in its own name except to the extent of the exemptions, if any granted under section 49 of the Act.
- (xv) According to the information and explanation given to us, the company has not given, during the year, any guarantee for loans taken by others from Banks or financial Institutions. As a result, the question of our commenting whether the term and conditions are prejudicial to the interest of the company does not arise.
- (xvi) In our opinion and according to the information, given to us, company has not taken term loan during the year.
- (xvii) According to the information and explanations 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 investments.
- (xviii) According to the information and explanation given to us, the company has not made, during the year any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the companies Act, 1956.
- (xix) According to the information and explanation given to us, the company has

not issued any debenture during the year.

- (xx) The company has not raised money from the public during the year.
- (xxi) On the basis of our examination of the book of account and other relevant records and information made available to us, prima-facie we have not noticed any fraud on or by the company during the year. Further, the management has represented to us that no fraud on or by the company has been reported during the year. However, we are unable to determine /verify as to whether any such reporting has been made, during the year.

FOR, MUKESH I GUPTA & CO

Chartered Accountants,

FRN-326918E

Sd/-

(CA Mukesh Gupta)

Proprietor

M.N.64413

Place : Ahmedabad

Date : 06/09/2011

GOYAL ASSOCIATES LTD

BALANCE SHEET AS AT 31st March, 2011

Particulars	Schedule	31st March 2011	31st March 2010
<u>SOURCES OF FUNDS</u>			
A) SHAREHOLDER' FUND			
Share Capital	A	30600000	30600000
Reserve & Surplus	B	73774	73774
Unsecured Loan	C	0	12945570
TOTAL		30673774	43619344
<u>APPLICATION OF FUNDS</u>			
A) INVESTMENTS	D	0	455150
B) <u>CURRENT ASSETS, LOAN AND ADVANCES</u>	E		
Inventories		0	6125950
Sundry Debtors		1655150	7231223
Cash & Bank Balance		2134540	2723400
Loans & Advances		19933969	22586138
		23723659	38666711
C) Less : CURRENT LIABILITIES AND PROVISION	F	19302	2383871
NET CURRENT ASSETS		23704357	36282840
D) PROFIT & LOSS ACCOUNT (to the extent not written off)	G	6969417	6881354
TOTAL		30673774	43619344

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

M

As per our attached report of even date

FOR, MUKESH I GUPTA & CO
Chartered Accountants
FRN-326918E

Sd/-

(CA Mukesh Gupta)
Proprietor
M.N.64413

Place : Ahmedabad
Date : 06/09/2011

On Behalf of Board of Directors
FOR, GOYAL ASSOCIATES LTD

Sd/-

Ca dfU U\ 7\ ci X\ Um
DIRECTOR

Place : Ahmedabad
Date : 06/09/2011

Sd/-

Vinay Agrawal
DIRECTOR

GOYAL ASSOCIATES LTD

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31st March, 2011

Particulars	Schedule	31st March 2011	31st March 2010
A) <u>INCOME</u>			
Sales Less Sales Return		7633750	45512504
Other Income	H	1508114	3313376
Increase/ (Decrease) in Stock	I	-6125950	(12230300)
		3015914	36595580
B) <u>EXPENDITURE</u>			
Purchase & Direct Expenses	J	2230000	34385227
Establishment & Other Expenses	K	826703	3153895
Finance & Bank Expenses	L	47274	37123
		3103977	37576245
PROFIT/(LOSS) BEFORE TAXATION		(88063)	(980665)
Less: Prior Period Expenses		0	(16854)
Provision for Taxation		0	0
FBT Expenses		0	(234)
Transfer to Reserve U/s 45 IC of RBI Act		0	0
PROFIT AFTER TAXATION		(88063)	(997753)
BALANCE BROUGHT FORWARD		(6881354)	(5883601)
BALANCE CARRY FORWARD		(6969417)	(6881354)
Earning Per Shares		0.00	-0.03

SIGNIFICANT ACCOUNTING POLICIES AND M
NOTES ON ACCOUNTS

As per our attached report of even date

FOR, MUKESH I GUPTA & CO
Chartered Accountants
FRN-326918E

Sd/-

(CA Mukesh Gupta)
Proprietor
FRN-326918E

On Behalf of Board of Directors
FOR, GOYAL ASSOCIATES LTD

Sd/-

Ca dfU Ug 7\ci X Ufm
DIRECTOR

Sd/-

Vinay Agrawal
DIRECTOR

Place : Ahmedabad
Date : 06/09/2011

Place : Ahmedabad
Date : 06/09/2011

GOYAL ASSOCIATES LIMITED

CASH FLOW STATEMENT ANNEXURE TO BALANCE SHEET FOR THE YEAR ENDED ON 31.03.2011

	31st March, 2011	31st March, 2010
A. <u>CASH FLOW FROM OPERATION ACTIVITIES</u>		
Net Profit/(Loss) after tax	(88063)	(997753)
<u>Adjustment for :</u>		
(a) Preliminary Expenses	0	0
(b) Depreciation	0	0
(c) Financial Charges	0	0
(d) Dividend	0	0
(e) Prio Period (Income)/Expenses	0	0
(f) Provision for Deferred tax	0	0
(g) Profit on sale of fixed Assets	0	0
(h) Interest Received	(1508114)	(2253841)
(i) Prior Period Expenses	0	16854
(j) Income Tax	0	234
(k) Transfer to Reserve U/s 45 IC of RBI Act	0	0
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(1596177)	(3234506)
<u>Adjustment for :</u>		
(a) Trade and Other Receivables	5576073	6821806
(b) Inventories	6125950	12230300
(c) Trade Payable	(2364569)	(2595529)
(d) Other Current Assets	2652169	(8400814)
CASH GENERATED FROM OPERATION	10393446	4821257
CASH FLOW BEFORE EXTRAORDINARY ITEMS	10393446	4821257
Extraordinary Items Prior Period		
(a) Priorperiod Expenses/Income	0	(16854)
(b) Income Tax	0	(234)
NET CASH FLOW FROM OPERATING ACTIVITIES	10393446	4804169
B. <u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
(a) Purchase of Fixed Assets	0	0
(b) Sale of Fixed Assets	0	0
(c) Purchase of Investment	0	0
(d) Sale of Investments	455150	2200500
NET CASH FLOW IN INVESTING ACTIVITIES	455150	2200500

C. CASH FLOW FROM FINANCIAL ACTIVITIES

(a) (Decrease)/Increase in Borrowing	(12945570)	12945570
(b) Dividend	0	0
(c) Interest (Paid)/Received	1508114	2253841
	<u>(11437456)</u>	<u>15199411</u>
Net Increase (Decrease) in Cash (A + B + C)	(588860)	22204080
Opening Balance of Cash & Cash Equivalents	2723400	(19480680)
Closing Balance of Cash & Cash Equivalents	2134540	2723400

FOR, MUKESH I GUPTA & CO

Chartered Accountants,
FRN-326918E

Sd/-

(CA Mukesh Gupta)
Proprietor
M.N.64413

Place : Ahmedabad
Date : 06/09/2011

On behalf of the Board
For **Goyal Associates Ltd.**

Sd/-

Sd/-

Ca dfU_ U\ 7\ ci X\ fm Vinay Agrawal
Director Director

Place : Ahmedabad
Date : 06/09/2011

GOYAL ASSOCIATES LTD

SCHEDULE FORMING PART OF BALANCE SHEET FOR THE YEAR ENDED ON 31st March, 2011

Particulars	31st March 2011	31st March, 2010
<u>SCHEDULE-A : SHARE CAPITAL</u>		
<u>AUTHORISED SHARE CAPITAL :-</u>		
34000000 (P.Y 34000000) Equity Shares of Rs. 1/- Each	34000000	34000000
<u>ISSUED, PAID UP AND SUBSCRIBED CAPITAL :-</u>		
30600000 (P.Y 30600000) Equity Shares of Rs. 1/- Each	30600000	30600000
	30600000	30600000
<u>SCHEDULE-B : RESERVE & SURPLUS</u>		
1) <u>Reserve U/s 45(1A) of RBI Act</u>		
Opening Balance	73774	73774
Add- Additions/(deduction) during the year	0	0
	73774	73774
<u>SCHEDULE-C : UNSECURED LOAN</u>		
Unsecured Loan	0	12945570
	0	12945570
<u>SCHEDULE-D : INVESTMENTS</u>		
- Nil (P.Y53920) Equity Shares of G2 International Export Ltd	0	455150
	0	455150
<u>SCHEDULE -E : CURRENT ASSETS, LOANS AND ADVANCES</u>		
A) <u>INVENTORIES</u>	0	6125950
	0	6125950
B) <u>SUNDRY DEBTORS</u>		
More than Six Months	0	5126339
Others	1655150	2104884
	1655150	7231223
C) <u>Cash & Bank Balances</u>		
1) Cash on hand	71393	110756
2) Balance with :		
HDFC BANK	2063146.5	2174830
HDFC BANK Euro A/c	0	422799
Kalapur Commercial Co.Op Bank	0	10507
Bank Of Baroda, Kaligam	0	4508
State Bank of India	0	0
	2134539.5	2723400
D) <u>Loans & Advances</u>		
Share Application Money	0	200000
Loan Given	9262271	22100684
Tax Deducted At Source	371698	285454
Duty Draw Back Receivable	0	0
Advances	10300000	0
	19933969	22586138
TOTAL (A) + (B) + (C) +(D)	23723659	38666711

<u>SCHEDULE - F : CURRENT LIABILITIES AND PROVISION</u>		
A) <u>CURRENT LIABILITIES</u>		
Sundry Creditors	0	2317134
	0	2317134
B) <u>PROVISIONS</u>		
Provision for Expenses	0	64201
Provision for FBT	0	0
Provision for Taxation	0	0
	0	64201
C) <u>OTHER LIABILITY</u>		
Outstanding Exp.	19302	0
	19302	0
D) <u>STATUTORY LIABILITIES</u>		
TDS Payable	0	2536
	0	2536
TOTAL (A) + (B) + (C)	19302	2383871
<u>SCHEDULE - G : PROFIT & LOSS ACCOUNT</u>		
Profit & Loss Account	6881354	5883601
Add/(Less)- Addition/(Reduction) during the year	88063.1	997753
	6969417	6881354
<u>SCHEDULE-H-DIRECT AND OTHER INCOME</u>		
Kasar	0	32
Drawback Credit	0	1059503
Interest Received	1508114	2253841
(C.Y TDS R	1508114	3313376
<u>SCHEDULE- I- Increase/(Decrease) in Stock</u>		
Closing Stock(Taken and Valued as certified by Management)	0	6125950
Less- Opening Stock	6125950	18356250
	(6125950)	(12230300)
<u>SCHEDULE-J-Purchase & Direct Expenses</u>		
Purchase Less Purchase Return	2230000	32713646
Job Work Charges	0	1671581
	2230000	34385227
<u>SCHEDULE-K : ESTABLISHMENT AND OTHER EXPENSES</u>		
Audit Fees	19302	19302
Annual Custody Charge	0	16545
Annual Fees-NSDL	0	32967
Annual Fees-CDSL	0	15839
Conveyance Expenses	0	2320
Demat Charges	72423	0
Export Freight/Clearance Charges	0	1371092
Exchange Fluctuation	152406	825970
Electricity Expenses	0	7398
Office Expenses	121663	7688
Bad Debt Write Off	212034	57819
Insurance Expenses	0	6568
Professional Charges	0	15500
Stock Exchange Fees	28175	32075
ROC Fees	8000	6500
Salary Expenses	212700	615000
Staff Welfare Expenses	0	3587
Telephone Expenses	0	13090
Travelling Expenses	0	104635
	826703	3153895
<u>SCHEDULE-L :FINANCE & BANK EXPENSES</u>		
Bank Charges	47274	37123
	47274	37123

SCHEDULE : M

1) SIGNIFICANT ACCOUNTING POLICIES

A SYSTEM OF ACCOUNTING

(i) Company maintain its accounts 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.

(ii) Accounting policies not specifically referred to otherwise are in consonance with generally accepted accounting principles.

B REVENUE RECOGNISE

1) Sales

Sale of Fabric is recognised on the basis of dispatch of goods is accounted net of sales return , if any.

Sale of securities is accounted on the basis of debit notes issued to party.

2) Interest,commission, Duty Drawback and other Income are accounted on accrual basis.

3) Dividend is accounted on receipt basis.

C EXPENSES

It is company's policy to account of expenses on accrual basis except expenses of traditional nature which are accounted on cash basis.

D FIXED ASSETS AND DEPRECIATION

Company does not have any fixed assets.Hence, no depreciation has been provided.

E INVENTORY

There is no Inventory in the Company.

F INVESTMENT

There are no investments held by the Company.

G RETIREMENT BENEFITS

We have been informed that payment of Gratuity and provident fund are not applicable to company.

H PROVISION AND CONTINGENT LIABILITY

Provisions are recognised for present obligation, of uncertain timing or amount, arising as a result of past events where a reliable estimate can be made and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Where it is not probable that an outflow of resources embodying economic benefits will be required or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability unless the probability of outflow of resources embodying economics benefit is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events, are also disclosed as contingent liabilities unless the probability of outflow of resources embodying economic benefit is remote.

I TAXATION

(a)

The Company has incurred losses in the year, so no tax has been charged.

(b)

Deferred tax is provided in accordance with the Accounting Standards - 22, Accounting for taxes on Income, issued by the Institute of Chartered Accountants of India on timing differences between tax and accounting treatments that originate in one period and are expected to be reversed or settled in subsequent periods. Deferred tax assets or liabilities are measured using the enacted tax rates for the current year. Adjustment of deferred tax assets or liability attributable to change in tax rates is shown in the profit and loss account as a part of deferred tax adjustment for the year.

J IMPAIRMENT OF ASSETS

Since the company does not have any Fixed Assets there is no impairment required.

K EARNING PER SHARE

Basic earning per share is 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.

L SEGMENT REPORTING

The company has organised its operation into two business

- Trading in fabric
- Financial Activities

2) NOTES ON ACCOUNTS

- 1) Company is a Non Banking Financial Company.
- 2) Contingent liabilities NIL(Previous Year Nil)
- 3) Contracts remaining to be executed on capital account not provide for Rs. Nil (Previous year Rs. Nil)
- 4) Contingent liability that may arise due to suspension of trading of shares of the company on stock exchange has not been ascertained and provided for
- 5) Amount paid by way of Remeneration to Auditor(In Rs.)

	<u>2010-2011</u>	<u>2009-2010</u>
I) Audit Fees	19302	19302
	<u>19302</u>	<u>19302</u>

- 6) Directors Remuneration
- | | | |
|--|------------------|------------------|
| | <u>2010-2011</u> | <u>2009-2010</u> |
| | 0 | 240000 |

- 7) Related Party transactions are follow :

Transaction	Key Management Personnel	Association	Relatives of Key Management Personnel	Total
(a) Purchase	0	2130000	0	2130000

Note :

This is based on the information provided by the management of the company.

- (A) Key Management : Krishnakant Goyal
Prashantkumar Agarwal
Vijaykumar Saligram Goyal
Vikaskumar Vijaykumar Goyal
Narendrakumar Bhimsen Goyal
- (B) Associations : Gujarat Financial & Capital Ltd
Goyal Arcade Pvt. Ltd
Gujarat Roadlines Ltd
Bluefox Securites & Leasing Ltd
Shree Roadways Ltd.
- (C) Realtive of Key Management Persons : Bhimsen Goyal HUF
Pushpadevi Goyal
Pawankumar Vijaykumar
Durgadevi Family Trust
Vandanadevi Goyal
Kavitadevi Goya

- 8) Provisions of Clause 4D of part II of Schedule VI of the companies Act, 1956, regarding :
(a) Value of Import : Rs. Nil/-
(b) Expenditure incurred in Foreign Currency : Nil
(c) Amount of remittance in Foreign Currency on accounts of dividends : Nil
(d) Export Earnings : Nil/-(FOB Value)
- 9) Quantitative details of clause 3 of part II of Schedule VI of companies Act, 1956 is as under(*Previous year figure are provided in the bracket*)

Particulars	Op Stock	Purchase	Sales	Cl. Stock
Shares(Nos)	2264200	600000	2864200	0

- 9) Details of clause 4C of part II of Schedule VI of companies Act, 1956 has not been furnished as such information are Nil.
- 10) **Segment Reporting**

Company has organised its operation into two business

- Trading of Fabrics
- Trading of Shares & Securities

Particulars	Fabric(Rs)	Shares(Rs)	Total(Rs)
Sales & Direct Income	0	7633750	9141864
Purchase & Direct Expenses	0	2230000	8355950
Net Result	0	5403750	785914
Less- Unallocate Expenses	0	0	873977
Add- Unallocate Income	0	0	
Net Profit Before Tax	0	0	(88063)

11) **Earning Per Share**

Particulars	2010-11	2009-10
Profit After Tax	(88063)	(997753)
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	-0.03

- 12) The Company has initiated the process of indentifying the suppliers who qualify under the definition of micro and small enterprises, as defined under the Micro, Small and Medium Enterprises Development Act, 2006. Since no intimation has been received from the suppliers regarding their status under the said Act as at 31st March, 2011, disclosures relating to amounts unpaid as at the year end, if any, have not been furnished. In the opinion of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material.
- 13) All debit and credit balances appearing under the head loans and advances, unsecured loans, sundry debtors and current liabilities are subject to confirmation by the parties concerned, and subsequent reconciliation, if any.
- 14) In the opinion of the Management, the value on realization of current assets, loans and advances in the ordinary course of business would not be less than the amount at which they are stated in the balance sheet and provision of all known liabilities has been made.
- 15) Figures in the Balance sheet are rounded off to the nearest of rupees.
- 16) Previous year figures in Balance sheet has been regrouped and rearranged wherever necessary.
- 17) The statement of significant Accounting policies and the Notes numbered 1 to 16. Above form an integral part of the accounts for the accounts for the year ended on 31st March, 2011.

For, MUKESH I GUPTA & CO
Chartered Accountants
FRN-326918E

Sd/-

(CA Mukesh Gupta)
Proprietor
FRN-326918E

Place : Ahmedabad
Date : 06/09/2011

On behalf of the Board
For Goyal Associates Ltd

Sd/-

Sd/-

Ca dfU U\ 7\ci X\Ufm Vinay Agrawal
(Director) (Director)

Place : Ahmedabad
Date : 06/09/2011

GOYAL ASSOCIATES LTD

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. : L74999GJ1994PLC023281 State Code : 4
Balance Sheet Date : 31/03/2011

II. Capital Raised during the year (Amount in Rs.)

Public Issue : Nil Right Issue : Nil
Bonus Issue : Nil Private Placement : Nil

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

Sources of fund

Paid-up Capital : 30600000 Reserve & Surplus : 73774
Secured Loan : Nil Unsecured Loan : NIL
Deferred tax Liability : Nil

Application of funds

Net fixed Assets : Nil Investments : NIL
Net Current Assets : 23704357 Misc. Expenditure : 6969417

IV. Performance of Company (Amount in Rs.)

Net Turnover : 3015914 Total Expenditure : 3103977
Profit/(loss) before tax : (88063) Profit/(loss) after tax : (88063)
Earnings per Share in Dividend Rates % : Nil
Rs. : (0.00)

V. Generic Name of Three Principal Products/Services of company (as per monetary terms)

Item Code No. :
(ITC Code)
Product Description : -

As per our Attached reprot of even date.

On Behalf of Board of Directors

FOR, MUKESH I GUPTA & CO
Chartered Accountants
FRN-326918E

FOR, GOYAL ASSOCIATES LTD

Sd/-
(CA Mukesh Gupta)
Proprietor
FRN-326918E

Sd/-
Omprakash Choudhary
DIRECTOR

Sd/-
Vinay Agrawal
DIRECTOR

Place : Ahmedabad
Date : 06/09/2011

Place : Ahmedabad
Date : 06/09/2011

Goyal Associates Limited

Annual Report (2010-11)