

GOYAL ASSOCIATES LIMITED

**Annual Report
2012 - 13**

GOYAL ASSOCIATES LIMITED

604, 6th FLOOR, SAKAR III, OFF: ASHRAM ROAD, NEAR INCOME TAX, NAVJIVAN POST,
AHMEDABAD, GUJARAT – 380014

NOTICE

NOTICE IS HEREBY GIVEN THAT ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF GOYAL ASSOCIATES LIMITED WILL BE HELD ON MONDAY, SEPTEMBER 30TH, 2013, AT 10 A.M., AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT 604, 6th FLOOR, SAKAR III, OFF: ASHRAM ROAD, NEAR INCOME TAX, NAVJIVAN POST, AHMEDABAD, GUJARAT – 380014 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31.03.2013 and the Statement of Profit and Loss of the Company for the Year ended on that date together with Director's Report and Auditor's Report thereon.
2. To appoint a Director in place of Mr. Jaipal Singh Parmar, Director, who retires by rotation at the AGM and being eligible, offers himself for re-appointment.
3. To appoint M/s. Mukesh I Gupta & Co., Chartered Accountants, Auditors of the Company to hold office from the conclusion of the Annual General Meeting till the conclusion of the next AGM and to authorize the Audit Committee to fix their remuneration.

On behalf of the Board of Directors

Date: 5th September, 2013

Place: Ahmedabad

Vinay Agrawal
(Managing Director)

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS APPENDED WITH THE ATTENDANCE SLIP.**
2. The Annual Reports will also be available on the Company's website- www.goyalassociatesltd.com.
3. Corporate members are requested to send a duly certified copy of Board Resolution/ power of attorney authorizing their representative to attend and vote at the Annual General Meeting.
4. The Register of Members and Share Transfer books of the Company will remain closed from Thursday, 26th September, 2013 to Monday, 30th September, 2013 (both days inclusive), in terms of the Companies Act, 1956 and the listing agreement of the Stock Exchanges where the shares of the Company are listed, for the purpose of the Annual General Meeting.
5. Members are requested to intimate changes, if any, immediately to the Company's Registrars and Transfer Agents, in case of Shares held in physical form and to the respective Depository participants in case of shares held in electronic mode.
6. All documents referred to in the notice are open for inspection at the registered office of the Company during office hours.
7. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to send their queries at least seven days before the date of Meeting of the Company, so that the information required may be made available at the Meeting.
8. Shareholders are requested to update preferred E-mail Ids with the Company/ depository Participants which will be used for the purpose of sending of official documents through E- mail.

9. Members are requested to bring their attendance slip annexed herewith duly filled along with their identity proof for attending the meeting.
10. Pursuant to Clause 49 of the Listing Agreement, the particulars of Director seeking re-appointment (as on this date) at the meeting are as under:

Name of the Director	:	Mr. Jaipal Singh Parmar
Date of Birth	:	1-6-1954
Qualification	:	Graduate
Experience	:	Accounts & Finance
Shareholding in the Company	:	Nil
Directorship held in other Public Limited Companies	:	Nil
Membership / Chairmanship of Committees in other Public Limited Companies	:	Nil

On behalf of the Board of Directors

Date: 5th September, 2013
Place: Ahmedabad

Vinay Agrawal
(Managing Director)

DIRECTOR'S REPORT

Dear Members,

We are pleased to present the Nineteenth Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2013.

RESULT OF OPERATIONS

(Rs. in Lacs)

Particulars	For the year ended, 31st March, 2013	For the year ended, 31st March, 2012
Revenue from Operations	500.41	39.49
Total Expenses	995.65	100.97
Net Profit / (Loss) Before Tax	(495.24)	(61.48)
Provision for Taxation (Deferred Tax)	0.30	0.42
Profit / (Loss) after Tax	(494.94)	(61.06)
Profit /(Loss) brought forward from P.Y.	(130.75)	(69.69)
Balance Carried Forward	(625.69)	(130.75)

MANAGEMENT DISCUSSION & ANALYSIS

A Management Discussion & Analysis Report is annexed to this Report and forms part of this Report.

DIVIDEND

In view continued losses, your Directors are unable to recommend any dividend for the year.

SHARE CAPITAL

During the year under review, the Company has increased its Authorised Share Capital from Rs. 3.40 Crores, divided into 3,40,00,000 Equity Shares of Re.1/- each to Rs. 6.40 Crores, divided into 6,40,00,000 Equity Shares of Re. 1/- each at the Shareholders meeting held on 25th May, 2012. There has been further issue of shares by way of preferential issue to persons other than promoters during the year. The Paid-up Share capital of the Company now stands at Rs. 5.07 Crores.

DIRECTORS

The Board of Directors of your Company is duly constituted. There was no change in the constitution of the Board during the year under reference. Mr. J. S. Parmar, Director, retire by rotation at the ensuing AGM and being eligible offers himself for re-appointment.

DIRECTOR'S RESPONSIBILITY STATEMENT

As required under section 217(2AA) of the Companies Act, 1956, the Directors confirm that:

1. In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanations relating to material departures, if any;
2. 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 affairs of the Company at the end of the financial year ending 31st March, 2013 and of the Loss of the Company for that year;
3. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities to the best of their ability;
4. They have prepared the Annual Accounts on a Going Concern basis.

AUDITORS

M/s. Mukesh I Gupta & Co., Chartered Accountants, Auditors of the Company has offered themselves for reappointment. The Company has received a Certificate from the aforesaid firm of Auditors under Section 224(1B) of the Companies Act 1956, certifying their eligibility for the position, if appointed.

AUDITOR'S REPORT

The observations of the auditors in their report are self-explanatory and therefore, in the opinion of the Directors, do not call for further comments.

DISCLOSURE OF PARTICULARS

The Company has no employee in the category as specified in the provisions of Section 217(2A) of the Companies Act, 1956.

DISCLOSURES UNDER SECTION 217(1)(D) OF THE COMPANIES ACT, 1956

Except as disclosed elsewhere in this report, there have been no material changes and commitments which can affect the financial position of the Company occurred between the end of the financial year of the Company and date of this report.

LISTING

The equity shares of the Company continue to be listed at the Bombay Stock Exchange Limited (BSE) and the Ahmedabad Stock Exchange. The Company has paid the annual listing fees to the respective Stock Exchanges.

CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement executed with the Stock Exchanges, A Report on the Corporate Governance together with the Auditor's Certificate thereon forms part of the Annual Report & is annexed herewith.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING

The Company's operations for the year do not require any disclosure under this head.

ACKNOWLEDGEMENTS

Your Directors express their appreciation of the co-operation and assistance received from the shareholders, bankers and other business associates during the year.

For and on behalf of the Board of Directors

Place: Ahmedabad
Date: 30-5-2013

V. Agrawal
(MANAGING DIRECTOR)

J. S. Parmar
(DIRECTOR)

Corporate Governance Report**A. Our Governance Philosophy:**

Good corporate governance structures encourage companies to create value, through an entrepreneurial spirit, innovation, development and exploration and provide accountability and control systems commensurate with the risks involved.

Effective corporate governance results from the efficient interaction between a company's board of directors and its senior (executive) managers. A company's board of directors oversees and directs the company and its business, while senior managers execute board policy and decisions and manage day-to-day business operations. The board and senior management share responsibility for protecting and enhancing shareholder value in the long term. Corporate governance, therefore, is the system whereby companies are directed and managed. A company's approach to corporate governance influences how the objectives of the company are set and achieved; how risk is monitored and assessed and how performance is optimized.

An effective corporate governance process is established when an open and transparent relationship exists between (and among) the board of directors, the shareholders and the executive management of the company. When each is engaged with and responsive to the others, a strong foundation for good corporate governance can be set.

Corporate governance is not just about committee structures. It implies and requires a comprehensive and consistent corporate commitment to integrity, which is embedded into the fabric of the organization and the way people conduct business. It is evidenced by the organization's leadership, culture, core values and business ethics.

B. Board of Directors:**I. Composition of the Board**

The composition of Board is in compliance 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 2012-13 is as under:

Sl. No.	Name of Director	Category of Directorship	No. of other Directorship*	No. of other Committee Members/ Chairman
1	Mr. Vinay Kumar Agrawal	Managing Director -Executive	Nil	Nil
2	Mr. Rahul Sharma	Non-Executive & Independent	Nil	Nil
3	Mr. Omprakash Choudhary	Executive	Nil	Nil
4	Mr. Jaipal Singh Parmar	Non-Executive & Independent	Nil	Nil

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

- 1) None of directors on the Board are related to each other.
- 2) None of directors on the Board are members in more than ten committee and they do not act as chairman of more than five committees across all companies in which they are directors.
- 3) 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 11 times during the Financial Year 2012-13. Board Meetings were held on 2nd April 2012, 30th April 2012, 30th May 2012, 8th June 2012, 6th August 2012, 30th August 2012, 03rd October 2012, 04th October 2012, 15th November 2012, 7th February 2013 and 19th March 2013.

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 is as indicated below:

Sr. No.	Name of Director	Board Meeting Attended out of 11 meetings of the Board of Directors	Whether Attended the Previous AGM
1	Mr. Omprakash Choudhary	8	Yes
2	Mr. Vinay Kumar Agrawal	10	Yes
3	Mr. Rahul Sharma	9	No
4	Mr. Jaipal Singh Parmar	10	Yes

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 composition of the Audit Committee is as under:

Mr. Jaipal Singh Parmar	-	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 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 2013

The Committee had 6 meetings during the year under reference, i.e. 2nd April 2012, 30th May 2012, 6th August 2012, 30th August 2012, 7th February 2013 and 19th March 2013.

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 Director	No. of Meetings	
	Held	Attended
Mr. Vinay Kumar Agrawal	6	5
Mr. Rahul Sharma	6	5
Mr. Jaipal Singh Parmar	6	6

ii. Shareholders/Investor Grievance Committee

The composition of the committee is—

Mr. Rahul Sharma	-	Chairman
Mr. Jaipal Singh Parmar	-	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 5 times during the year under review i.e. on 30th May 2012, 30th August 2012, 15th November 2012, 7th February 2013 and 19th March 2013.

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 Director	No. of Meetings	
	Held	Attended
Mr. Vinay Kumar Agrawal	5	4
Mr. Rahul Sharma	5	5
Mr. Jaipal Singh Parmar	5	4

Name and designation of Compliance Officer:

Mr. Vinay Agrawal

Phone : 079-27541687

Email id : info@goyalassociatesltd.com

Status Report of Investor Complaints for the year ended March 31, 2013

No of Complaints Received	-	5
No of Complaints Resolved	-	5
No of Complaints Pending	-	Nil

iii. Remuneration Committee

The composition of the Remuneration Committee is as follows:

Mr. Rahul Sharma	-	Chairman
Mr. Jaipal Singh Parmar	-	Member
Mr. Vinay Kumar Agrawal	-	Member

Terms of Reference

The Remuneration Committee determines and recommends to the Board the remuneration payable to the directors and to the senior management personnel.

Remuneration Committee Attendance during the year

The committee met 2 times during the year under reference i.e. on 30th August 2012 and 19th March 2013.

The names of the Directors who are/were members of the Remuneration Committee during the year under reference

and their attendance at such meetings are as under:

Name of the Director	No. of Meetings	
	Held	Attended
Mr. Vinay Kumar Agrawal	2	2
Mr. Rahul Sharma	2	2
Mr. Jaipal Singh Parmar	2	2

Remuneration Policy

Though there is no written Remuneration Policy, the Committee recommends to the Board, remuneration package of the Senior Management personnel & Directors 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. Considering the financial position of the Company, the Managing Director of the Company has decided to forego his remuneration for the year. As per the Remuneration Committee decision no remuneration was given to any other Director during the year.

D. General Body Meetings:

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

Particulars	Date	Venue	Time	No. of Special Resolution Passed
AGM (2009-10)	August 10, 2010	604, 6th Floor, Sakar-III, Income Tax, Off: Ashram Road, Navjivan Post, Ahmedabad: 380 014	10 A.M.	NIL
AGM (2010-11)	Sept 30, 2011	604, 6th Floor, Sakar-III, Income Tax, Off: Ashram Road, Navjivan Post, Ahmedabad: 380 014	10 A.M.	ONE
EGM	May 26, 2012	604, 6th Floor, Sakar-III, Income Tax, Off: Ashram Road, Navjivan Post, Ahmedabad: 380 014	10 A.M.	NIL
AGM (2011-12)	Sept 28, 2012	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 2012-13. 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 has 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, 2013.
- (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 under the Management Discussion and Analysis section. 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, 2013 is annexed hereto.
- (vi) **Details of Compliances**
- a) 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. 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 dematerialization 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, 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 its 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	Monday, 30 th September, 2013, 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 2012 to 31 st March 2013
Dates of Book Closure	Thursday 26 th September , 2013 to Monday 30 th September, 2013 (Both the days inclusive)
Dividend Payment Date	N. A.
Financial Calendar Period	Board Meeting to approve quarterly financial results (tentative)
- Quarter ending 30 th Jun 2013	- End July 2013
- Quarter ending 30 th Sep 2013	- End October 2013
- Quarter ending 31 st Dec 2013	- End January 2014
- Quarter ending 31 st Mar 2014	- April / May 2014
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 31 st March 2013.

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, 6 th Floor, Off-Ashram Road, Income Tax, Navjivan Post Office, Ahmedabad-380014. Phone: 079-27541687 Email id: info@goyalassociatesltd.com
Registrar and Share Transfer Agent	Sharepro Services (India) Pvt. Ltd. 13 AB Samhita Warehousing Complex, 2 nd 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

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 / dematerialization. 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, 2013

Complaints outstanding as on 1st April 2012	Nil
Complaints received during the year ended 31st March 2013	—
Complaints resolved during the year ended 31st March 2013	—
Complaints pending as on 31st March 2013	Nil

Market Price Data

Suspension in trading of Company's securities was revoked on Wednesday, April 11, 2012. There is no monthly High, Low price of the Company's shares in the last financial year. The stock is under Periodic call auction.

The equity shares were last traded in the period from 11-4-2012 to 29-5-2012 2006 in the price band of Re. 0.56-0.71 per share.

Distribution of Shareholding as on March 31, 2013

No. of shares	No. of shareholders	% of holders	No. of shares	%of shares
Less than 500	911	16.29%	331349	0.65%
500 – 1000	1374	24.57%	1353268	2.67%
1001 – 2000	937	16.76%	1758087	3.46%
2001 – 3000	426	7.62%	1178042	2.32%
3001 – 4000	182	3.25%	697516	1.37%
4001 – 5000	685	12.25%	3402008	6.71%
5001 – 10000	604	10.80%	5146625	10.14%
10001 and above	473	8.46%	36883105	72.68%
TOTAL	5592	100%	50750000	100%

Categories of Shareholders as at March 31, 2013

Sr. No	Description	No. of Shares	% to Capital
A.	Promoters & Promoters Group	5,000	0.01%
B.	Public Shareholding		
	- Institutions Financial Institutions/Banks	1,50,000	0.30%
	- Non-institutions Bodies Corporate NRI/OCBs Individuals & Others	2,21,82,055 2,74,222 2,81,38,723	43.71% 0.54% 55.44%
	Total	5,07,50,000	100%

Dematerialization of Shares and Liquidity

Around 64% of the Company's shares were held in dematerialized form and the balance 36% continues to remain in physical form. The Company encourages its investors to get the shares dematerialized to avail the inherited benefits of dematerialization.

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@goyalassociatesltd.com

On behalf of the Board of Directors

Ahmedabad, 30th May, 2013.

Vinay Agrawal
(Managing Director)

**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 31st March 2013, 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 the 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

CA Mukesh Gupta
Proprietor
Membership No.64413
30th May, 2013

Certification by the Chief Executive Officer on Code of Conduct

To,

The Members of **Goyal Associates Limited**

I, Vinay Agrawal, Managing 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**

Vinay Agrawal
Chief Executive Officer
May 30, 2013

Chief Executive Officer's Certification

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

- (a) I have reviewed financial statements and the cash flow statement for the year ended March 31, 2013 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, 2013 which are fraudulent, illegal or in violation 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.

Ahmedabad, May 30, 2013

Vinay Agrawal
Chief Executive Officer

Management Discussion & Analysis Report

FINANCIAL & BUSINESS REVIEW & FUTURE OUTLOOK

India continues to witness a very challenging economic scenario. Growth rates remained weak & continued to decline throughout in FY13. Current account deficit and high inflation were the other problems stalking the Indian economy. However, in the monetary front there were certain positive policy decisions by the RBI. However, the apex Bank's policy stance remains focused on containing inflation. The NBFC sector has generally been performing badly in the whole of Asia. The year has been bad for your Company as well. In the year under reference, the Company's foray into currency trading and derivatives operations misfired resulting into major losses in these two operational areas. Volatility in the stock markets also added to the misery. On the advances front the management also had to provide for sticky loans. All these factors ensured that the Company's bottom line receded significantly. Despite the gloomy scenario the management is looking for opportunities to grow in all available channels. The management will continuously strive to evolve synergies so as to optimize revenues from all areas. Your Company will do its best in mitigating those risks which are within its control. Your support and confidence continues to provide us the strength and conviction.

RESOURCES & LIQUIDITY

The liquidity position of the Indian economy has been very tight during the year. Your Company, as in the past, is relying only on short term unsecured borrowings for its operations. To have a better funds availability, your Company took a step & was successful in garnering funds by way of preferential issue (to persons other than the promoters) during the year. This can be considered as Strength for your Company since garnering funds in these market conditions can be a daunting task for any corporate. Your Company is a Non-deposit taking NBFC.

INDUSTRY STRUCTURE & DEVELOPMENT

In the opinion of the management the Non-Banking Financial Companies (NBFC) sector has not done well in India due to several factors. The perception of NBFCs in India has not been to the desired level. Due to regulatory lapses in the past we have witnessed adverse cases whereby fly-by- night operators have misused public funds in the name of NBFC and thus given a bad name to the sector as a whole. However, NBFCs continue to play a critical role in making financial services available to a wider set of the population and its importance can never be denied.

OPPORTUNITIES

Though the economic effects of the global financial crisis did impact on India but the silver line is that the Indian economy has not been that seriously affected as in contrast of other countries. The management believes that your Company is still in the process of consolidation and a focused business outlook may eventually help your Company to tide over the present crisis. The management believes that still there are avenues that will help optimize margins with reduced risk exposure. Your Company shall remain to keep a strong vigil on the asset-liability framework.

RISKS & CONCERNS

The arrival of Banks into consumer finance and housing, with cheap funds at their disposal, has ensured a virtual stop for private sector NBFCs into these lucrative business segments. Government policies & strictures imposed by the Reserve Bank of India on NBFCs from time to time have a direct bearing on the operations of your Company. Your Company is also exposed to credit risk, liquidity risk & interest rate risk.

INTERNAL CONTROL SYSTEMS & ITS ADEQUACY

Your Company has an independent internal management assurance function which commensurate with the size of the Company & its scale of business. Internal controls & processes are evaluated from time to time so as to ensure adherence to laid down standards & prescribed regulatory and legal framework.

FULFILMENT OF RBI NORMS

Your Company is bound to fulfill and has followed all the norms and standards as laid down by the regulatory authority in respect of NBFCs, pertaining to the Company's category, from time to time.

CAUTIONERY STATEMENT

Statements in this Management Analysis & Discussion Report may be forward looking within the meaning of the applicable laws and actual results may differ from those implied or expressed.

INDEPENDENT AUDITOR'S REPORT

To the Members of **GOYAL ASSOCIATES LIMITED**

Report on the Financial Statements for the F.Y. 2012-13

We have audited the accompanying financial statements of Goyal Associates Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of Significant Accounting Policies and Additional Notes to the accounts containing other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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 March 31, 2013;
- b) in the case of the Statement of Profit and Loss, of the Loss of the Company for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e) On the basis of written representations received from the Directors as on March 31, 2013, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2013, from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company for the year under review.

For **Mukesh I Gupta & Co.**
Chartered Accountants
FRN: 326918E

CA. Mukesh Gupta
(Proprietor)
M. No. : 064413

Place: Ahmedabad
Date: 30th May, 2013

Annexure to the Independent Auditors' Report to the members of **Goyal Associates Limited** [referred to in Point No. 1 under "Report on Other Legal and Regulatory Requirements" of our Report of even date]

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed asset.
- (b) The Company has physically verified the fixed asset during the year and in our opinion physical verification of fixed asset has been carried out at reasonable intervals having regard to the size of the company and the nature of its asset. According to the information and explanation given to us no discrepancy was noticed on such verification.
- (c) The Company has not disposed off any fixed asset during the year.
2. (a) Physical verification of stock, being shares and securities, has been conducted by the management at reasonable intervals during the year.
- (b) According to the information and explanations given to us, physical verification of stock of shares and securities held in the dematerialized form has been done by way of tallying the holding as reflected in the Depository Statement with book records and physically verifying the script, for shares held in physical form. In our opinion, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and its nature of business.
- (c) According to the information and explanations given to us, no material discrepancy has been noticed on physical verification of stocks as compared to book records.
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Act. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.
- (e) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Hence sub clauses iii (f) & (g) are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of stocks and shares and we have not observed any continuing failure to correct any major weaknesses in such internal controls.
5. (a) Particulars of contract /arrangement referred to in Section 301 of the Act have been entered in the register required to be maintained.
- (b) Transactions made in pursuant of contracts u/s 301 have been found to be at reasonable prices.
6. The Company, being a "Non Banking Financial Company", Section 58A & 58AA or any other relevant provisions of

the Companies Act, 1956 is not applicable. During the year, the Company has not accepted any deposit from public falling under the purview of the Non-Banking Financial Company (Reserve Bank) Directions, 1998. As informed to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.

7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. As per information & explanation given by the management, maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act.
9. (a) The Company is regular in depositing with appropriate authorities, undisputed material statutory dues. According to the information and explanations given to us, the Company does not have any undisputed amounts payable in respect of outstanding material statutory dues as at the last day of the financial year for a period of more than six months from the date they became payable.
(b) According to the information and explanations given to us, the Company does not have any disputed amounts payable in respect of sales tax, income tax, customs duty, excise duty/ Cess and service tax.
10. The Company has incurred cash losses during the year under review. The accumulated losses at the year-end have exceeded the Net worth of the Company. The Company has also incurred cash losses in the immediately preceding financial year.
11. The Company has not enjoyed any credit facilities from any Bank or Financial Institutions. It has also not issued any debentures and accordingly the question of default in repayment of dues to a financial institution, bank or debenture holders does not arise.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Order is not applicable to the Company.
14. According to information and explanations given to us, the Company is trading in Shares & other derivatives. Proper records & timely entries have been maintained in this regard & further the same are held in its own name.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
16. The Company has not raised any term loan during the year and hence the question of application of funds raised by way of term loan does not arise.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2013, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. On the basis of information and explanations given to us by the management, we report that the Company has not during the year made any preferential allotment of shares to Companies & other parties listed in the Register maintained under Section 301 of the Act.
19. The Company has no outstanding debentures during the period under audit.
20. The Company has raised Rs. 201.50 Lacs during the year by way of preferential issue of shares to persons other than promoters. The end use of such money has been disclosed by the management & verified by us.
21. Based on the audit procedures performed and the information and explanations given to us in the course of our audit, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For **Mukesh I Gupta & Co.**
Chartered Accountants
FRN: 326918E

CA. Mukesh Gupta
(Proprietor)
M. No. : 064413

Place: Ahmedabad
Date: 30th May, 2013

BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Note	AS AT 31-3-2013	AS AT 31-3-2012
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	50,750,000	30,600,000
(b) Reserves and Surplus	3	(62,495,316)	(13,001,264)
(2) Current Liabilities			
(a) Short Term Borrowings	4	39,000,000	20,700,000
(b) Trade Payables	5	4,489,066	-
(c) Other Current Liabilities	6	62,335	38,965
(d) Short term Provisions	7	42,000	-
Total		31,848,085	38,337,701
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	8		
- Tangible Assets		1,447,272	1,952,870
(b) Deferred Tax Assets (Net)	9	72,055	42,072
(2) Current assets			
(a) Inventories	10	10,712,620	6,875,312
(b) Trade Receivables	11	3,731	1,655,165
(c) Cash and Cash Equivalents	12	2,419,219	1,500,098
(d) Short-Term Loans and Advances	13	17,193,188	26,312,184
Total		31,848,085	38,337,701

Significant Accounting Policies & Additional Notes to the Accounts 1

The Notes (1 to 19) form an integral part of these financial statements

On behalf of the Board of Directors

For **Mukesh I Gupta & Co.**
Chartered Accountants
Firm Registration No - 326918E

(CA Mukesh Gupta)
Proprietor
M.Mo- 64413
Place: Ahmedabad
Dated : 30-5-2013

J.S. Parmar
Director

Vinay Agrawal
Managing Director

Rahul Sharma
Director

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Note	For the year ended 31-3-2013	For the year ended 31-3-2012
CONTINUING OPERATIONS			
I. Revenue from operations	14	50,040,725	3,949,124
		50,040,725	3,949,124
II. Expenses:			
Purchase of Stock-in-trade		86,657,016	16,078,472
Change in Inventories	15	(3,837,308)	(6,875,312)
Employee Benefits Expenses	16	690,000	617,375
Financial Costs	17	37,313	-
Depreciation and Amortization Expenses	18	505,598	11,145
Other Expenses	19	15,512,141	265,137
		99,564,760	10,096,817
III. Profit / (Loss) before tax		(49,524,035)	(6,147,693)
IV. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		29,983	42,072
V. Profit/(Loss) for the Year		(49,494,052)	(6,105,621)
Earnings per Share (EPS) :			
- Basic		-1.053	-0.199
- Diluted		-1.053	-0.199

Significant Accounting Policies & Additional Notes to the Accounts 1

The Notes (1 to 19) form an integral part of these financial statements

On behalf of the Board of Directors

For **Mukesh I Gupta & Co.**
Chartered Accountants
Firm Registration No - 326918E

(CA Mukesh Gupta)
Proprietor
M.Mo- 64413
Place: Ahmedabad
Dated : 30-5-2013

J.S. Parmar
Director

Vinay Agrawal
Managing Director

Rahul Sharma
Director

**Significant Accounting Policies & ADDITIONAL Notes to THE ACCOUNTS
for the year ended 31st March, 2013****Note '1'****SIGNIFICANT ACCOUNTING POLICIES****1. Basis for preparation of Financial Statements**

The financial statements are prepared and presented under the historical cost convention on accrual basis of accounting, in accordance with the accounting principles generally accepted in India and comply with the Accounting Standards as applicable and the applicable norms as laid down by the Reserve Bank of India. Except where otherwise stated, the accounting principles are consistently applied.

2. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make assumptions and estimates, which it believes are reasonable under the circumstances that affect the reported amounts of assets, liabilities and contingent liabilities on the date of financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

3. Investments

- a) Investments, which are intended to be carried for a period exceeding one year are treated as Long Term Investments. All other investments are considered as Current Investments.
- b) Long Term Investments are carried at cost. Temporary diminutions in value of long term investments are not considered in the accounts. Current investments are carried at lower of cost and net realizable value. Cost for the purpose includes all costs incurred on purchase/acquisition of such investments.

4. Fixed Assets & Depreciation

Fixed Assets are stated at historical cost. Cost for the purpose includes all costs attributable to bringing the specified asset to its present location.

Depreciation on Fixed Assets is charged on Written Down Value method at the rates and manner as specified under Schedule XIV to the Companies Act, 1956.

5. Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit which the asset belongs to, is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

6. Provision and Contingencies

Apart from the mandatory provisioning in accordance with the norms as laid down by the Reserve Bank of India from time to time, the Company creates provisions when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed. Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognised in the period in which the change occurs.

7. Inventories

Stock of shares are valued at lower of cost and market value. Cost for the purpose includes all costs attributable to the acquisition of stock including brokerage, taxes & duties etc. Cost Formulae used: FIFO method.

8. Revenue Recognition

- a) Income from sales is recognized as and when the sales are complete.
- b) Revenue in respect of all other income is recognized when a reasonable certainty as to its realization exists.

9. Employees' Retirement and Other Benefits

- a) Retirement gratuity is accounted for on accrual basis subject to the completion of one year by the employee concerned.
- b) Provident Fund & Miscellaneous Provisions Act, 1952, is not applicable to the Company for the year under reference.
- c) Cost of earned leave of the employees is estimated at the end of every year and expensed to the profit and loss account of the year in which such leave were earned.

10. Accounting for Taxes

- a) Current Tax and Fringe Benefit Tax are accounted on the basis of estimated taxable income for the current accounting period and in accordance with the provisions of Income Tax Act, 1961.
- b) Deferred Tax resulting from "timing differences" between accounting and taxable profit for the period is accounted by using tax rates and laws that have been enacted or subsequently enacted as at the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future.

11. Prudential Norms issued by the R.B.I.

The Company follows the Prudential Norms as applicable to it, issued by the Reserve Bank of India in respect of Non-Banking Financial Companies (NBFCs).

12. Loan sanctioned/granted by the Company

The policy of the Company for sanction of any loan stipulates the period for which the loan is sanctioned and also the date for demanding or calling up of such loan. Similarly, interest, if any, on such loan is payable in accordance with the terms of sanction.

ADDITIONAL NOTES TO THE ACCOUNTS**1. Corporate Information:**

The Company is a "Public Company", within the meaning of section 3(1) (iii) of the Companies Act, 1956 (No. 1 of 1956). It is a widely held public Company & is listed with the Ahmedabad Stock Exchange & BSE Ltd. The Company is also registered with the Reserve Bank of India as a Non-Banking Financial Company (NBFC).

The Company was incorporated in India on 14-10-1994 under the Companies Act, 1956 (No. 1 of 1956) and is registered in India under the jurisdiction of ROC, Ahmedabad, Gujarat.

□ The Corporate Identity number of the Company is: L74999GJ1994PLC023281

□ The Registered office of the Company is located at:

604 Sakar III, 6th Floor,
Off Ashram Road Income Tax office,
Navjivan Post, Ahmedabad-380014,
Gujarat, India

□ The Company is principally engaged in Non Banking Financial Business. There has been no significant change in the nature of business of the Company during the period from 1st April, 2012 to 31st March, 2013.

2. Amounts due to Micro, Small and Medium Enterprises:

There are no amounts due to Micro, Small & Medium Enterprises.

Based on the information available with the Company in respect of MSME (as defined in the Micro, Small & Medium Enterprises Development Act, 2006) there are no such entities transacting with the Company & accordingly the question of delay in the payment of dues to such enterprises during the year and dues payable to them at the year-end does not arise.

3. **Auditor's Remuneration:**

	<u>2012-13</u>	<u>2011-12</u>
As Statutory Audit Fees	11,236	11,236
As Tax Audit Fees	5,056	5,056
For Limited review & certification matters	3,371	3,371

4. There are no employees who have completed the qualification period for gratuity & accordingly no provision in respect of gratuity is considered necessary for the period under reference.

5. **Deferred Tax Asset (Net):**

Deferred tax asset comprise of timing difference due to:

Particulars	Balance as on 1-4-2012	During the year Credit / (Debit)	Balance as on 31-03-13
Difference in WDV of Fixed assets as per books & Tax balance	42,072	29,983	72,055
Total	42,072	29,983	72,055

Note: Deferred tax asset on unabsorbed depreciation and business losses have not been considered as a matter of prudence.

6. **Earnings per Share (EPS):**

Particulars	2012-13	2011-12
Profit / (Loss) for the year attributable to Equity Shareholders	(4,94,94,052)	(61,05,621)
No. of Equity shares (Face value Re. 1/-)	5,07,50,000	3,06,00,000
Weighted No. of Equity shares outstanding	4,69,96,027	3,06,00,000
Basic EPS (in Rs.)	- 0.053	- 0.199
Diluted EPS (in Rs.)	- 0.053	- 0.199

7. A Schedule as required in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, as amended till date, is attached as an Annexure.

8. **Segment Reporting**

The Company operates in a single segment and there are no separate reportable segments as defined in Accounting Standard, AS-17.

9. **Remuneration to Managing Director:**

Particulars	Current year	Previous year
Salary & Bonus	1,50,000	75,000
Monetary value of perquisites	NIL	NIL
Others	NIL	NIL

10. **Related Party disclosures:**

i) Key Management Personnel

Name	Designation
Mr. Vinay Agrawal	Managing Director
Mr. Rahul Sharma	Director
Mr. J. S. Parmar	Director
Mr. O. P. Choudhary	Director
Mr. Narendra Goyal	Promoter

ii) Transactions with related parties

Remuneration to Managing Director: NIL (P.Y.: Rs. 75,000)

iii) Outstanding balances with related parties: NIL

11. In view of losses, no amount is payable in respect of Income Tax & accordingly no provision is required in this respect.

12. In the absence of confirmation, the balance due to and/or receivable from parties have been taken as per the books.

13. **Contingent Liabilities:** NIL (P.Y. NIL)

14. **Earnings/Expenditure in Foreign Exchange:** NIL (P.Y. NIL)

15. **Previous Period Comparatives:**

Previous year figures have been regrouped and reclassified to the extent considered necessary to correspond with the current year's classification/disclosure.

On behalf of the Board of Directors

For **Mukesh I Gupta & Co.**
Chartered Accountants
Firm Registration No - 326918E

(CA Mukesh Gupta)
Proprietor
M.No- 64413
Place: Ahmedabad
Dated : 30-5-2013

J.S. Parmar
Director

Vinay Agrawal
Managing Director

Rahul Sharma
Director

As at 31/03/2013 As at 31/03/2012

NOTE NO - 2**SHARE CAPITAL**Authorised Share Capital

64,000,000 Equity Shares of Re. 1/- Each	64,000,000	34,000,000
(Previous Year : 34,000,000 Equity Shares of Re. 1/- Each)		

Issued, Subscribed & Paid-up Share Capital

50,750,000 Equity Shares of Re. 1/- each Fully Paid Up in Cash	50,750,000	30,600,000
(Previous Year : 30,600,000 Equity Shares of Re. 1/- Each, Fully Paid Up)		
	50,750,000	30,600,000

2.1 Reconciliation of the number of shares outstanding :

Equity Shares at the beginning of the Year	3,06,00,000
Add: Shares Issued to persons other than promoters on Preferential basis during the year	2,01,50,000
Equity Shares at the end of the Year	5,07,50,000

All Equity Shares issued by the Company including those issued during the year on preferential basis rank equal in all rights and privileges including dividend.

2.2 Shareholders holding more than 5% of the equity shares of the Company

Name	As at 31/03/2013		As at 31/03/2012	
	Equity Shares Held	Holding %	Equity Shares Held	Holding %
Nayan Tieup (P) Ltd.	2750000	5.42	-	-
Kiran Consortium Trade (P) Ltd.	2800000	5.52	-	-
S. L. Confin (P) Ltd.	2700000	5.32	-	-

NOTE NO - 3**RESERVES & SURPLUS****A) Profit & Loss Account**

Balance brought forward	(13,075,038)	(6,969,417)
Add: Loss for the year	(49,494,052)	(6,105,621)
	(62,569,090)	(13,075,038)

B) Reserve U/s 45(1A) of RBI Act

Balance brought forward from previous year	73,774	73,774
	73,774	73,774

Total (A+B)

(62,495,316)	(13,001,264)
---------------------	---------------------

As at 31/03/2013 As at 31/03/2012

NOTE NO - 4

SHORT TERM BORROWINGS

Unsecured; Repayable on demand; Interest free

- From Bodies Corporate	39,000,000	20,700,000
	39,000,000	20,700,000

NOTE NO - 5

TRADE PAYABLES

Sundry Creditors	4,489,066	-
	4,489,066	-

NOTE NO. - 6

OTHER CURRENT LIABILITIES

Audit Fees payable	19,663	38,965
Professional Charges payable	35,821	-
TDS payable	6,851	-
	62,335	38,965

NOTE NO - 7

SHORT TERM PROVISIONS

Provision on Standard assets (as per RBI norms)	42,000	-
	42,000	-

NOTES TO THE BALANCE SHEET AS AT 31ST MARCH, 2013

NOTE NO - 8 : FIXED ASSETS

TANGIBLE ASSETS

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As on 1-4-2012	Addition (Deletion)	Total 31-3-2013	Upto 31-3-2013	For the Year	Total Up to 31-3-2013	AS ON 31-3-2013	AS ON 31-3-2012
Vehiclces	1,964,015	-	1,964,015	11,145	505,598	516,743	1,447,272	1,952,870
TOTAL	1,964,015	-	1,964,015	11,145	505,598	516,743	1,447,272	1,952,870
Previous Year	-	1,964,015	1,964,015	-	11,145	11,145	1,952,870	-

As at 31/03/2013 As at 31/03/2012

NOTE NO - 9**DEFERRED TAX ASSET (NET)**

On difference between book balance & tax balance of fixed assets	72,055	42,072
	<u>72,055</u>	<u>42,072</u>

NOTE NO - 10**INVENTORIES***(valued at lower of cost & market value)*

Stock In Trade (Fully paid-up Equity Shares)	10,712,620	6,875,312
	<u>10,712,620</u>	<u>6,875,312</u>

NOTE NO - 11**TRADE RECEIVABLES***(Unsecured; considered good)*

Debts outstanding for a period exceeding six months	3,731	1,655,150
Others	-	15
	<u>3,731</u>	<u>1,655,165</u>

NOTE NO - 12**CASH & CASH EQUIVALENTS**

Balance with Bank in Current accounts	1,737,983	1,384,443
Cheque on hand	4,882	-
Cash in Hand (as per books & as certified)	676,354	115,655
	<u>2,419,219</u>	<u>1,500,098</u>

NOTE NO - 13**SHORT-TERM LOANS & ADVANCES****LOANS**

Unsecured; considered good

- to Bodies Corporate	13,777,423	15,662,465
- to Others	3,000,000	10,334,260

Unsecured; considered doubtful	6,000,000	-
	<u>22,777,423</u>	<u>25,996,725</u>

Less: Provision for doubtful debts	6,000,000	-
	<u>16,777,423</u>	<u>25,996,725</u>

ADVANCES

Balance with Tax authorities	413,821	315,459
Other Advances (Unexpired expenses etc.)	1,944	-
	<u>17,193,188</u>	<u>26,312,184</u>

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2013

	31st March 2013	31st March 2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) after tax	(49494052)	(6105621)
Adjustment for :		
(a) Depreciation & Amortization	505598	11145
(b) Interest Expense	37313	-
(c) Deferred Tax	(29983)	(42072)
(d) Statutory provision	42000	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(48939124)	(6136548)
Adjustment for :		
(a) Trade Receivables	1651434	(15)
(b) Inventories	(3837308)	(6875312)
(c) Trade Payables & Other current liabilities	4512436	19663
(d) Short term Loans & Advances	9118996	(6378215)
NET CASH USED IN OPERATING ACTIVITIES	(37493566)	(19370427)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-	(1964015)
NET CASH USED IN INVESTING ACTIVITIES	-	(1964015)
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
(a) Issue of Share Capital	20150000	-
(b) (Decrease)/Increase in Borrowing	18300000	20700000
(c) Interest Paid	(37313)	-
NET CASH FROM FINANCING ACTIVITIES	38412687	20700000
Net Increase / (Decrease) in Cash & Cash Equivalents (A + B + C)	919121	(634442)
Opening Balance of Cash & Cash Equivalents	1500098	2134540
Closing Balance of Cash & Cash Equivalents	2419219	1500098

Notes:

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3, "Cash Flow Statements".
- Balance of Cash & Cash Equivalents is same as per Note No. 12
The Notes (1 to 19) form an integral part of these financial statements

On behalf of the Board of Directors

For **Mukesh I Gupta & Co.**
Chartered Accountants
Firm Registration No - 326918E

(CA Mukesh Gupta)
Proprietor
M.Mo- 64413
Place: Ahmedabad
Dated : 30-5-2013

J.S. Parmar
Director

Vinay Agrawal
Managing Director

Rahul Sharma
Director

GOYAL ASSOCIATES LIMITED

604, 6th FLOOR, SAKAR III, OFF: ASHRAM ROAD, NEAR INCOME TAX,
NAVJIVAN POST, AHMEDABAD, GUJARAT – 380014

PROXY FORM

DP ID.	
CLIENT ID	

FOLIO NO.	
NO. OF SHARES	

I/We _____ of

Being a Member / Members of _____ Limited hereby appoint Mr. / Ms.

as my / our Proxy to attend and vote for me / us and on my / our behalf at the ANNUAL GENERAL MEETING of the Company to be held on _____, the _____ and at any adjournment(s) thereof.

Signed this _____ day of _____ 2013.

Affix
Re.1/-
Revenue
Stamp

Signature(s)

Proxy form must reach company's registered office not later than 48 hours before the commencement of the meeting

FOR OFFICE USE ONLY

DATE OF RECEIPT

GOYAL ASSOCIATES LIMITED

604, 6th FLOOR, SAKAR III, OFF: ASHRAM ROAD, NEAR INCOME TAX,
NAVJIVAN POST, AHMEDABAD, GUJARAT – 380014

ATTENDANCE SLIP

DP ID.	
CLIENT ID	

FOLIO NO.	
NO. OF SHARES	

Name & Address of Shareholder / Proxy holder

I certify that I am a registered Shareholder / Proxy for the registered Shareholder of the Company. I hereby record my presence at the Annual General Meeting of the Company held on _____, the _____ at the Registered Office of the Company at _____.

Member's / Proxy's Signature

(Shareholder attending the meeting in person or by proxy is requested to complete the attendance slip and handover at the entrance of the Meeting Place)

BOOK-POST

To,

If undelivered, please return to :

GOYAL ASSOCIATES LIMITED

604, 6th FLOOR, SAKAR III, OFF: ASHRAM ROAD,
NEAR INCOME TAX, NAVJIVAN POST,
AHMEDABAD, GUJARAT – 380014