
Goyal Associates Limited

CORPORATE GOVERNANCE 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

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

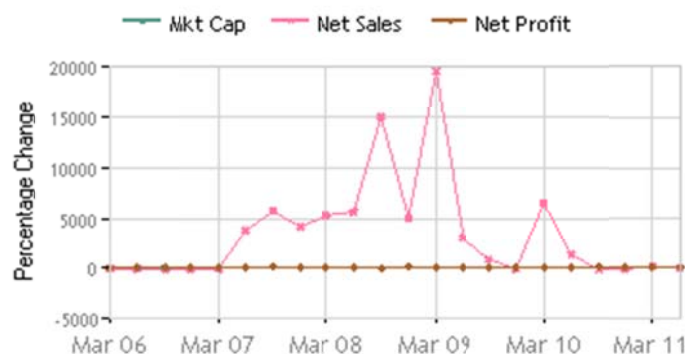
Complaints outstanding as on 1st April 2010	1
Complaints received during the year ended 31st March 2011	5
Complaints resolved during the year ended 31st March 2011	5
Complaints pending as on 31st March 2011	1

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