



NOTICE

Notice is hereby given that the 26th Annual General Meeting of GOPALA POLYPLAST LIMITED will be held at Plot No. 485, Santej Vadsar Road, Santej, Taluka Kalol, Dist. Gandhinagar - 382721, Gujarat on Thursday, 30th September, 2010 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and the Profit & Loss Account of the Company for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Mahendra Somani, who retires by rotation and being eligible, offers himself for reappointment
3. To appoint a Director in place of Mr. Manish Somani, who retires by rotation and being eligible, offers himself for reappointment.
4. To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution :
"RESOLVED THAT a written certificate pursuant to provision to sub-section (1) of section 224 of the Companies Act, 1956, having been received from M/s. V. K. Moondra & Co. (Membership No. 070431), Chartered Accountants, Ahmedabad, the said M/s. V. K. Moondra & Co., be and are hereby appointed as the Auditors of the Company under Section 224A of the Companies Act, 1956, for the financial year 2010-11 and to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company on a remuneration as may be agreed upon between the Board of Directors or any committee thereof and the said M/s. V. K. Moondra & Co."

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution :
"RESOLVED THAT Mr. Balkrishna Mittle who is appointed as an Additional Director in the meeting of Board of Directors held on 10th July, 2010 and who holds office as such upto the date of 26th Annual General Meeting and in respect of whom notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Mr. Balkrishna Mittle as a candidate for the office of Director of the Company be and is hereby appointed as a Director of the Company, whose period of office shall be liable to determination by retirement of Director by rotation".
6. To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution :
"RESOLVED THAT in supersession of the earlier resolution passed in the Extra Ordinary Meeting held on 25th June 2010 and pursuant to the provisions of Section 100 to 104 read with Section 78 and other applicable provisions, if any, of the Companies Act, 1956, Article 59 of Articles of Association of the Company, stock exchange where the shares of the company are listed and subject to the confirmation of the Hon'ble High Court of Judicature at Gujarat or at the National Company Law Tribunal (NCLT) and/or any other regulatory authority as may be required, the Equity Share Capital of the Company be and is hereby reduced by Rs.10,25,000/- (Rupees ten lacs and twenty five thousand only) from Rs. 11,01,80,000/- (Rupees eleven crores one lac and eighty thousand only) consisting of 2,20,36,000 Equity Shares of Rs 5 each to Rs.10,91,55,000/- (Rupees ten crores ninety one lacs and fifty five thousand only) consisting of 2,18,31,000 Equity Shares of Rs 5/- each and Share Premium Account be reduced by Rs. 1,74,250/- (Rupees one lac Seventy four thousand two hundred and fifty only) from Rs.4,00,37,400/- (Rupees four crores thirty seven thousand and four hundred only) to Rs. 3,98,63,150/- (Rupees three crores ninety eight lacs sixty three thousand one hundred and fifty only) by paying off / returning the entire paid up Equity Share Capital on 2,05,000 Equity Shares of Rs.5/- each fully paid up at a premium of Rs 0.85/- per share to the allottee after forfeiting 10% of the application money i.e. Rs0.65/- per share, who has subscribed to the Preferential issue made by the Company in the month of April, 2006 and thereby extinguishing all those shares.
RESOLVED FURTHER THAT the reduction of Company's paid up equity share capital as indicated above is subject to following terms and conditions:
 - a) After the Hon'ble High Court of Gujarat confirms the reduction, the Company shall pay the shareholder referred above within 90 days from the date of confirmation of reduction of capital by the Hon'ble High Court.
 - b) Upon payment of the consideration to the shareholder, the Company shall extinguish such paid up equity share capital.



- c) On extinguishments of the paid-up share capital as provided in (b) above, the Issued, subscribed and paid-up equity share capital shall stand reduced to Rs.10,91,55,000/- and the Share Premium shall stand reduced to Rs. 3,98,63,150/-

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and things including to agree to any modification or conditions that may be imposed or stipulated by the Hon'ble High Court of Judicature at Gujarat or the National Company Law Tribunal or any other authorities and to take all such necessary steps and actions as the Directors may in their discretion deem fit for the purpose of ensuring that the reduction is completed in a fair and equitable manner."

By Order of the Board

Place : Santej
Date : 30th July, 2010

Manoj Somani
Managing Director

NOTES :

1. The relevant Explanatory Statements pursuant to Section 173 of the Companies Act, 1956, in respect of the business under item no. 5 to 6 above are annexed thereto
2. The Register of Members and Share Transfer Books of the Company will remain closed from 28th September, 2010 to 30th September, 2010 (Both days inclusive).
3. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the time fixed for the meeting.
4. Members/Proxies should bring the Attendance Slip duly filled in for attending the Meeting.
5. Shareholders seeking any information with regard to Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 5

The Board of Directors appointed Mr. Balkrishna Mittle as an Additional Director on 10/07/2010 pursuant to the provision of Article 92 of the Articles of Association of the Company read with Section 260 of the Companies Act, 1956 to hold the office upto the date of forthcoming Annual General Meeting.

The Company has received notice in writing along with the deposit of Rs. 500/- from a member in terms of Section 257 of the Act signifying his intention to propose Mr. Balkrishna Mittle for the office of Director.

Mr. Balkrishna Mittle is willing to act as Director of the Company, if appointed, and has filed his consent pursuant to Section 264 (1) of the Companies Act, 1956. Mr. Balkrishna Mittle, aged 65 years, has a rich experience in advertisement and marketing.

The Board recommends the above Resolution for the approval of the members.

None of the Directors is concerned or interested in the resolution, except Mr. Balkrishna Mittle.

ITEM NO. 6

The Shareholders at their Extra Ordinary General Meeting held on 15th April, 2006 had subject to statutory approvals, passed Special Resolutions for issue and allotment of 39,35,000 Warrants to be converted into equivalent number of Equity shares of Rs. 5/- each at a price of Rs. 6.50/- per warrant to Promoters and Non Promoters as per Chapter XIII - Guidelines for Preferential Issue forming part of SEBI (DIP) Guidelines 2000.

The Company has received 'in principle' approval from the Bombay Stock Exchange Limited (BSE).

The Board of Directors in their meeting held on 23rd March 2007 allotted 14,91,600 Equity Shares of Rs. 5/- each at a price of Rs.6.50/- per share aggregating Rs.96,95,400/-for which necessary Listing and Trading approval has been received from Bombay Stock Exchange Limited.

Subsequently the Board of Directors at their meeting held on 22nd December, 2007 have allotted 14,80,000 Equity shares of Rs. 5/- each at a price of Rs. 6.50/- per share aggregating to Rs. 96,20,000/-. Whilst the Company has obtained the prior "In Principle Approval" for issue as stated above, the Company was unable to obtain the listing permission and consequently the trading permission from Bombay Stock Exchange Limited for 2,05,000 Equity shares out of the 14,80,000 Equity Shares allotted on 22nd December, 2007 due to technical reasons. The company is in the process of obtaining the listing and trading permission from Bombay Stock Exchange Limited for balance 12,75,000 Equity Shares.



Therefore there would be difference / mismatch between the "Issued Equity Share Capital" and the "Listed Equity Share Capital of the Company. Hence the company has proposed the reduction of 2,05,000 Equity shares of Rs 5/- each at a price of Rs 5.85/- after forfeiting 10% of the application money paid at the time of subscription of warrants i.e. Rs 0.65/- per share. The total amount payable to the allottee will be Rs. 11,99,250/- (Rupees Eleven Lacs Ninety Nine Thousand Two Hundred Fifty only) and the amount of forfeiture will be Rs 1,33,250/- (Rupees One lac Thirty three thousand two hundred and fifty only). It may be noted that the "issued Equity Share Capital" has to be in line with the "Listed Equity Share Capital" as per the stock exchange. Adherence to the same would also ensure that the Company would be able to obtain approval if required, of the stock Exchange for future "Corporate action" if any.

Balance 9,63,400 warrants had been lapsed as warrant holders did not opt to convert the same into equity shares of the Company.

The amount will be refunded to the Allottee who had subscribed to the aforesaid preferential allotment after forfeiture of the amount as mentioned hereinabove.

The Reduction of Capital will also not cause any prejudice to the Creditors of the Company. There is no reduction in the amount payable to any of the creditors; no compromise or arrangement is contemplated with the Creditors.

The pre and post reduction share holding pattern is as under:

Category of Shareholder	Number of Shares (pre reduction) of Rs.5/- each	Pre Reduction %	Number of Shares (post reduction) (Proposed) of Rs. 5/- each	Post Reduction %
Promoter and Promoter Group	8170865	37.08	7965865	36.49
Mutual Funds/UTI	1000	0.00	1000	0.00
Financial Institutions/Banks	9800	0.04	9800	0.05
Bodies Corporate	4574775	20.76	4574775	20.96
Individuals	8781545	39.86	8781545	40.22
Any others (specify)	498015	2.26	498015	2.28
GRAND TOTAL	22036000	100.00	21831000	100.00

The pre and post reduction Capital Structure of the Company is as under.

Pre Reduction Share Capital	Amount (Rs)	Post Reduction Share Capital (Proposed)	Amount (Rs)
Authorized Capital 2,30,00,000 Equity Shares of Rs.5 Each	11,50,00,000	Authorized Capital 2,30,00,000 Equity Shares of Rs.5 Each	11,50,00,000
4,50,000 Cumulative Redeemable Preference Shares of Rs.100 Each	4,50,00,000	4,50,000 Cumulative Redeemable Preference Shares of Rs.100 Each	4,50,00,000
Total	16,00,00,000		16,00,00,000
Issued, Subscribed and Paid-up Capital 2,20,36,000 Equity Shares of Rs.5 Each	11,01,80,000	Issued, Subscribed and Paid-up Capital 2,18,31,000 Equity Shares of Rs.5 Each	10,91,55,000
4,50,000 1 % Cumulative Redeemable Preference Shares of Rs.100 Each	4,50,00,000	4,50,000 1 % Cumulative Redeemable Preference Shares of Rs.100 Each	4,50,00,000
Total	15,51,80,000		15,41,55,000

Section 78 and 100 to 104 of the Companies Act, 1956 and Article 59 of the Articles of Association of the Company authorizes the Company to reduce its share capital by passing Special Resolution.



GOPALA POLYPLAST LTD.

The Resolution is subject to the confirmation of the Hon'ble High Court of judicature at Gujarat / NCLT and / or approval of such other regulatory authority as may be required according to the laws in force.

None of the Directors of the Company except Mr. Jugal Kishore Khetawat is, in any way, concerned or interested in the Resolution.

The Board of Directors commends the Special Resolution for approval.

By Order of the Board

Place : Santej
Date : 30th July, 2010

Manoj Somani
Managing Director

Details of the Directors seeking appointment in forthcoming Annual General Meeting (in pursuance of clause 49 Of the Listing Agreement)		
Name of Director	Mr. Mahendrakumar Somani	Mr. Manish Somani
Date of Birth	02/10/1947	20/09/1968
Date of appointment	31/07/2006	20/05/1995
Expertise in specific functional areas	Industrialist	Industrialist
Qualifications	S.S.C.E.	B.Com, PGDBM
List of Companies in which Directorship held as on 31/03/2010	1. Kamala Mercantile Limited 2. Gopala Kraft Pack Pvt. Ltd. 3. Navjeevan Synthetics Pvt. Ltd. 4. Parag Velvets Pvt. Ltd.	1. Gopala Mercantile Limited 2. Kagaj Marketing and Trading Pvt. Ltd.
Chairman / Membership of the Committees of the Board of the Companies on which he is a Director	Gopala Polyplast Limited Audit Committee-Member	Gopala Polyplast Limited Shareholders' Greivances Committee - Member Share Transfer Committee - Member

Name of Director	Mr. Balkrishna Mittle
Date of Birth	01/05/1945
Date of appointment	10/07/2010
Expertise in specific functional areas	Advertisement & Marketing
List of Companies in which Directorship held on the date of appointment	D. S. Mittle & Sons India Pvt. Ltd.
Chairman / Membership of the Committees of the Board of the Companies on which he is a Director	Gopala Polyplast Limited Audit Committee-Member

**DIRECTORS' REPORT****Dear Shareholders,**

Your Directors have pleasure in presenting before you, the 26th Annual report and the Audited Accounts for the financial year ended 31st March, 2010.

FINANCIAL RESULTS

The Financial results of the Company are summarized below:

	2009-10	Rs. in Lacs 2008-09
GROSS PROFIT (LOSS)(PBDIT)	(113.90)	(219.86)
Less:		
Interest & Financial Charges	189.47	406.30
Depreciation	272.04	261.09
PROFIT / (LOSS) BEFORE TAX	(575.41)	(887.25)
Less:		
Provision for Fringe Benefit Tax	—	4.09
Provision for Deferred Tax	(111.74)	(217.74)
Provision for Income-Tax of earlier year	1.11	0.48
PROFIT / (LOSS) AFTER TAX	(464.78)	(674.08)
Add: Balance brought forward	(969.79)	(295.71)
Profit / (Loss) available for Appropriation	(1434.57)	(969.79)
APPROPRIATIONS	—	—
Balance carried forward to next year	(1434.57)	(969.79)

REPORTING TO BIFR

The accumulated losses of the company at the end of the financial year 31st March, 2010 have resulted in erosion of more than fifty percent of its peak net worth during the immediately preceding four financial years. While the company is taking necessary steps to protect further erosion, the Company will report to the Board for Industrial and Financial Reconstruction about such erosion of net worth as envisaged under Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985 forthwith upon adoption of audited accounts of the Company for the financial year ended 31st March, 2010. Shareholders are also requested to take note of this erosion and consider the same at the Extraordinary General Meeting of the members being convened for the purpose.

EQUITY / PREFERENCE DIVIDEND

Due to losses, your directors do not recommend dividend on Equity Shares and Preference Shares for the year 2009-10

EXPANSION & MODERNISATION

The company is regularly upgrading its plant and machinery and has spent Rs. 136.90 lakhs on plant and machinery during the year under review.

MANAGEMENT DISCUSSION AND ANALYSIS

As required by Clause 49 of the Listing Agreement with the Stock Exchange, a Management Discussion and Analysis Report is appended.

DIRECTORS

Mr. Mahendra Somani and Mr. Manish Somai, retire by rotation at the forthcoming Annual General Meeting, and being eligible offer themselves for re-appointment.

Subsequent to last Annual General Meeting Mr. Ram Prakash Khatod and Mr. Kashyap Mehta resigned from the Board of Directors. Your directors place on record their sincere appreciation for the guidance and valuable services rendered by them during their tenure as Directors of the Company.

Mr. Balkrishan Mittle, who was earlier appointed as Additional Director 10/07/2010 is proposed to be appointed as Director of the Company at the ensuing 26th Annual General Meeting.

DIRECTORS RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217 (2AA) OF THE COMPANIES ACT, 1956.

The Directors hereby confirm, that they have :



- i. followed in the preparation of the annual accounts, the applicable accounting standards along with proper explanation relating to material departures;
- ii. selected such accounting policies and applied them consistently and made judgements 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 and of the Profit of the Company for that period;
- iii. taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. prepared the annual accounts on a going concern basis

DEPOSITS

The Company has not accepted any deposits to which the provisions of Section 58A of the Companies Act, 1956 are applicable.

DELISTING OF EQUITY SHARES

The Company has applied to the Calcutta Stock Exchanges for voluntary delisting and its outcome is still awaited. The equity shares of the Company are continued to be listed on the Bombay Stock Exchange Limited (BSE).

CONSUMPTION OF ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE EARNING AND OUTGO

The information required under Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988 is annexed hereto and forms part of this report.

The total earning in foreign exchange from Direct Exports is Rs. 110.77 lacs. (Previous year – Rs. 112.73 lacs)

The total foreign exchange out flow during the year on account of import of Machinery, Spares and other expenses is Rs.16.64 Lacs (Previous year – Rs. 11.57 Lacs).

PERSONNEL

The employee relation situation in your Company was satisfactory. Your Directors place on record their appreciation for the hard work and dedication of the employees in enhancing the productivity and effectiveness of the Organisation. There is no employee who is in receipt of remuneration exceeding the limits specified under sub-section 2A of Section 217 of the Companies Act, 1956.

CORPORATE GOVERNANCE

As required by Clause 49 of the Listing Agreement, a Report on Corporate Governance is appended along with Certificate of Compliance from the Auditors.

AUDITORS

M/S V. K. Moondra & Co., Statutory Auditors of the Company, retire at the forthcoming Annual General Meeting and are eligible for reappointment.

ACKNOWLEDGMENT

The Board of Directors places on record its warm appreciation for the devoted services of the staff at all levels of the Company who have contributed all these years to the growth of the Company. The Board of Directors gratefully acknowledge support extended by various Government Authorities, customers, investors, Banks and Financial Institutions to the Company from time to time.

For and on behalf of the Board of Directors

Santej
30th July, 2010

Mahendra Somani
Chairman

**ANNEXURE TO THE DIRECTORS' REPORT**

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

A. CONSERVATION OF ENERGY

Energy conservation measures taken by the Company involves mainly selection & installation of energy efficient equipment and energy saving devices. The impact of above measures on the cost of production is not precisely ascertainable.

B. TECHNOLOGY ABSORPTION

- a. Research & Development The Company has not so far formally established a Research & Development wing. However it is getting its technology updated in consultation with the machinery manufacturers on a continuous basis.
- b. Technology absorption, adaptation & innovation The Company has not imported any technology.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. in Lacs)

	2009-10	2008-09
a. Foreign Exchange Earnings	110.77	112.73
b. Foreign Exchange Outgo	16.64	11.57

FORM – A**DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY****I. POWER AND FUEL CONSUMPTION:**

	2009-10	2008-09
Electricity		
1. Purchased from GEB Units (KWH)	2282157	3113842
Total Amount (Rs.)	14151331	19331622
Rate per unit (Rs.)	6.21	6.21
2. Own Generation (through D.G. sets)		
Total Units Generated (KWH)	61252	26507
Total Amount (Rs.)	1389688	877144
Cost per unit (Rs.)	22.68	14.88
3. Own Generation (CPP-Gas)		
Total Units Generated (KWH)	7679451	6753240
Total Amount (Rs.)	40339849	35556503
Cost per unit (Rs.)	5.25	5.28

II. CONSUMPTION PER UNIT OF PRODUCTION

Product	PP Woven Sacks	
	2009-10	2008-09
Production (Tons)	12448	11423
Total No. of Units (KWH)	896611	9036699
Units per Ton (KWH)	720	791

* Quantitative details of Label Division cannot be compiled hence the relevant details are not given.

**REPORT ON CORPORATE GOVERNANCE**

Report on Corporate Governance for the year 2009-10 as per clause 49 of the Listing Agreement is placed here below:

1. Board of Directors :

The Company is managed by Board of Directors comprising a non-executive Chairman, 2 executive directors and 3 non-executive directors. Of these directors, 2 are independent directors.

The composition of directors and their attendance at the board meetings during the year and at the last annual general meeting, as also the number of their other directorships/committee positions are given in the following tables :

Table 1 : Composition of Board of Directors and number of other directorships and committee positions held as on 31st March, 2010 :

Director	Executive / Non-executive Independent	Number of Directorships of other Public companies	Committee positions	
			As Chairman	As Member
Mahendra Somani	Non-executive, Chairman	1	-	1
Manoj Somani	Executive	2	1	1
Manish Somani	Executive	-	-	2
Jugalkishore Khetawat	Non-executive	6	-	-
Malay Dalal	Non-executive, Independent	-	2	1
Kashyap Mehta	Non-executive, Independent	3	4	5

As mandated by the revised clause 49, the independent directors on the Company's Board

- Apart from receiving Directors remuneration, do not have any material, pecuniary relationship or transactions with the Company, its promoters, its Directors, its senior management or its associates, which may affect the independence of the Director.
- Are not related to promoters or persons occupying management positions at the Board level or at one level below the Board.
- Have not been executive of the Company in the immediately preceding three financial years.
- Are not partners or executives or were not partners or executive during the preceding three years of the
 - Statutory Audit firm or the internal audit firm that is associated with the Company.
 - Legal firm(s) and consulting firm(s) that have a material association with the Company.
- Are not material suppliers, service providers or customers or lessors or lessees of the Company, which may affect their independence.
- Are not substantial shareholders of the Company i.e. do not own two percent or more of the block of voting shares.

Table 2 : Attendance of Directors at Board Meetings and at the last AGM :

Director	Number of Board Meetings		Last AGM Attendance
	Held	Attended	
Mahendra Somani	5	5	Yes
Manoj Somani	5	4	Yes
Manish Somani	5	5	No
Jugalkishore Khetawat	5	0	No
Ramprakash Khatod(*)	4	0	No
Malay Dalal	5	5	Yes
Kasyap Mehta	5	5	No

(*) Mr. Ramprakash Khatod resigned from the Board of Directors w.e.f. 25/01/2010

**Table 3 : No. of Board Meetings held and dates of meetings.**

No. of Board Meetings held during the year 2009-10	Dates of Meetings
5	30/04/2009, 31/07/2009, 26/08/2009, 31/10/2009 and 29/01/2010 The maximum time gap between any two consecutive meetings did not exceed four months.

Disclosure regarding directors considered for appointment / re- appointment :

At the annual General Meeting of the Company, Mr. Mahendra Somani and Mr. Manish Somani are retiring by rotation and being eligible for reappointment are proposed to be reappointed. Their brief particulars are annexed with the notice convening Annual General Meeting.

Information placed before the Board of Directors :

The Board of the Company was presented with all the relevant and necessary information at their meetings such as production, sales, capital expenditure budgets, actual performance statistics, review of business, any legal proceedings by or against the Company, Share transfer compliance, quarterly financial results, minutes of the meetings of the Audit Committee, Share Transfer Committee and Shareholders/Investors Grievance Committee, Staff matters including senior appointments, significant labour and human relations matters, and such other information

2. Audit Committee :

The Company had reconstituted a three-member Audit Committee on 31/07/2001 comprising of Mr. Prashant Somani, Mr. Manoj Somani and Mr. Shreeprakash Somani in compliance with the requirement of Section 292A of the Companies Act, 1956. The Committee was lastly reconstituted on 31/07/2007, comprising of non-executive directors of whom two are independent directors. The members of the Committee are Mr. Malay Dalal, Chairman, Mr. Kashayp Mehta and Mr. Mahendra Somani. Mr. Malay Dalal, Chartered Accountant and Mr. Kashayp Mehta, Company Secretary Whole-time in practice have good financial and accounting knowledge. The Chairman of the Audit Committee attended the Annual General Meeting of the Company held on 24/09/2009.

The Broad terms of reference of the Audit Committee are as follows : -

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to :
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
6. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors any significant findings and follow up thereon.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower mechanism, as and when implemented by the Company.