

Courier

DCS/COMP/NM/48/2014-15

June 25, 2014

The Company Secretary / Compliance Officer
Gontermann Peipers India Ltd
24 Parganas(S)
Diamond Harbour Road, P.O. Pailan
Parganas
West Bengal - 743512

Dear Sir/Madam,

Sub: Audit Reports filed by listed companies

This has reference to the provisions of Clause 31(a) of the Listing Agreement and SEBI Circulars pertaining to the "Manner of Dealing with Audit Reports filed by Listed Companies" dated August 13, 2012 and June 05, 2013 which inter-alia mandated listed companies to submit either Form A (Unqualified / Matter of Emphasis Report) or Form B (Qualified / Subject to / Except for Audit Report) along with the company's Annual Report to the Stock Exchange.

As per the provisions of the said circulars, the qualifications raised by the Statutory Auditors in their Audit Report, would be scrutinized by the Qualified Audit Review Committee (QARC) constituted by SEBI.

Accordingly, after scrutiny and discussion by QARC and thereafter by FRRB and as directed by SEBI, you are advised to:

1. Suitably rectify / address the qualifications* contained in the report of the Statutory Auditors that is part of your Annual Report for the year 2012-13. Further, due care may be exercised by the company to ensure that the same qualification should not appear in the Audit Report for the next reporting period.
2. Restate the Financial Statements pertaining to Financial Year 2012-13 giving effect to the qualifications*, in terms of Clause 31A of the Listing Agreement and in terms of SEBI Circular No. CIR/CFD/DIL/7/2012 dated August 13, 2012 read with the SEBI's Clarificatory Circular CIR/CFD/DIL/9/2013 dated June 05, 2013.

(* Refer Annexure-I for details)

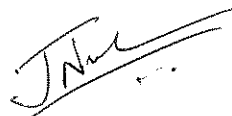
You are requested to take note of the same and comply accordingly, under information to the Exchange.

In case you need any clarifications on the above, you may please contact Mr. Nitesh Mhatre on 02222728880 / Ms. Dhara Barot on 22728559 / Mr. Rakesh Parekh on 22728307 (email rakesh.parekh@bseindia.com, dhara.barot@bseindia.com) for assistance.

Yours truly,



Netra Sahani
Dy. General Manager – Listing Compliance



Jeevan Noronha
Manager – Listing Compliance

ANNEXURE I:

Gontermann Peipers India Ltd

Auditor Qualification:

1. The outstanding advance for capital goods includes long outstanding advances to the tune of Rs.197.00 Lacs and advances to suppliers includes Rs.148.92 lacs in respect of which no confirmation/schedule of delivery was available, the consequential revenue impact, if any is not ascertainable.

Action to be taken: Rectify / address the qualifications contained in the report of the Statutory Auditors that is part of your Annual Report for the year 2012-13. Please ensure that the same qualification should not appear in the Audit Report for the next reporting period.

2. Note No. (11) Regarding recognition of net deferred tax asset (DTA) of Rs.1463.15 lacs (including Rs.1112.21 Lacs for the period) recognized up to 31st March, 2013 based on the future profitability projections made by the management. However, we are unable to express any opinion on the virtual certainty of achieving these projections as required by Accounting Standard 22 "Accounting for Taxes on Income" and consequential impact, if any, of the recognition on such deferred tax asset. Had the impact of item stated above been considered, the loss for the year would have been Rs.3771.57 lacs (after adjusting deferred tax assets of Rs.350.94 lacs recognized upto 31st March, 2012) as against the reported loss of Rs.3420.63 lacs and balance in Reserve and Surplus would have been Rs.3269.74 Lacs as against the reported Reserve and Surplus of Rs.4732.89 lacs.

Action to be taken: Restate the Financial Statements pertaining to Financial Year 2012-13 giving effect to the qualifications, in terms of Clause 31A of the Listing Agreement and in terms of SEBI Circular No. CIR/CFD/DIL/7/2012 dated August 13, 2012 read with the SEBI's Clarificatory Circular CIR/CFD/DIL/9/2013 dated June 05, 2013.