

# ANNUAL REPORT 2009-2010

# GREENEARTH Resources & Projects Ltd.

(Formerly known as Austral Coke & Projects Limited)



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**16th Annual General Meeting will be held on Thursday,  
September 30, 2010 at 2.30 p.m. at O2 Hotel & Restaurant,  
Near Airport, Kaikhali, VIP Road,  
Kolkata - 700 052**



Book - Post

*If undelivered, please return to:*

**GREENEARTH RESOURCES & PROJECTS LIMITED**

1/1W, Gariahat Road (south), Jodhpur park,

Mezanine Floor, Kolkata - 700 068 (W: B)

Ph.: 033 - 6536 1023 / 4063 5084

E-mail: [contact@greenearth.net.in](mailto:contact@greenearth.net.in)

Website: [www.greenearth.net.in](http://www.greenearth.net.in)

## Board of Directors

Mr. Ratan Lal Tamakhuwala  
Mr. Bimal Kumar Goenka  
Mr. M. M. Damani  
Mr. Alok Bansal  
Mr. Sunil Mandloi

*Chairman*  
*Managing Director*  
*Executive Director*  
*Independent Director*  
*Independent Director*

## Company Secretary

Mr. Prathamesh Joshi

## Subsidiaries of Company

Astra Mining Limitada  
Global Astra Pte Ltd.

## Registered office

1/1W, Gariahat Road (south)  
Jodhpur park, Mezanine Floor,  
Kolkata - 700 068 (W: B)

## Bankers

State Bank of India  
State Bank of Indore  
IDBI Bank Ltd.  
Bank of India  
Barclays Bank

## Corporate Office

Killedar Building -1, I & II Floor  
Opp. MTNL (Near 24 Karat Cinema Hall)  
S. V. Road, Jogeshwari (W),  
Mumbai - 400 102

## Auditor

Mr. T.N. Datta  
87/B, Cossipore Road  
Kolkata - 700002

## Registrar and Transfer Agent

Link Intime India Pvt Ltd  
C- 13, Pannalal Silk Mills Compound  
L.B.S. Marg, Bhandup (W)  
Mumbai - 400 078

## **Chairman Message**

**Dear Shareholders,**

It's my proud and privilege to present the 16th Annual Report of the Company. This has been challenging year – one that started with great promise and ended with lots of uncertainty and change. The total income of the company is Rs 2673574551/- and there is loss of Rs 46318497/-.

We compliment Mr. Bimal Kumar Goenka and his team, who worked with alacrity and dedication to stabilise Company's operations in these tough conditions. I also appreciate the active cooperation of our employees, customers, partners, business Associates. Our Board of Directors as usual have been very supportive and provided requisite guidance in steering through these difficult times.

This is trying time for the Company, but there is also silver lining in terms of opportunity to put our house in order. Freeing up the cash from selling the assets which are not more frequently used, the company thinks to be pay off the liabilities. To manage and in order to reduce the loans and liabilities of the Company the Board has decided to reduce its investment done in lands and other assets of the Company.

Despite of tough time, Greenearth Resources has initiated aggressive measures such as:

- (a) offering innovative and improved products through our highly trained delivery and quality teams,
- (b) presenting the cost conscious customer 'value for money' products through value engineering and cost optimization,
- (c) rationalizing manpower resources and motivating them to take on additional responsibilities - the response from the dedicated Greenearth Resources and Projects Ltd team has been marvellous; the ease with which this has been accomplished demonstrates that sincerity of purpose and appropriate communication can draw the best out of people in crisis situations,
- (d) aggressive sales push through innovative marketing and
- (e) renewed customer orientation and focus.

We have initiated all the above steps while continuing our operations without disruption to the progress of the projects. These initiatives are expected to result in substantial improvements in operating efficiencies and reduction in cost.

Above mentioned measures combined with the moves underway to secure dedicated sources of coking coal is expected to greatly enhance the operating margins of the Indian operations.

Like everyone else I look forward to better and more upbeat times when the full potentials of the company can be actualised. We would continue to play a significance role in the Coal Industry. Being a responsible corporate we are committed to encourage and increase the quality of education of employees in India through which we can make short but significant contribution to the less privileged sections in the society.

Finally I would like to thank all shareholders, and well wishers for their continued support and trust in the Company.

With Best wishes

Sd/-

**Ratan Lal Tamakhuwala**  
Chairman

## Letter from Managing Director

Dear Shareholders,

It has been a challenging year with business confidence at all time low generating, great uncertainty across all business segments in which our Company operates. The year started with lots of optimism and ended with uncertainty.

The financial crisis hit at lightning speed leading to drying up of credit lines and overall liquidity of the Company. The same situation continues today also. This has led to a fall of the Company share prices. Despite this difficult situation our Board of Directors have decided to overcome the problem and we are trying to maintain our revenues and profits for the next year.

During the year the Company total income is Rs. 2,67,35,74,551/- and company suffered loss of Rs.4,63,18,497/- which is much lesser than previous year total income Rs.4,65,71,48,715/- and profit of Rs.45,25,39,023/-. As the critical situation continues the board of directors contemplates to dispose of unutilised assets of the company to repay the liabilities of the company.

Sd/-

**Bimal Kumar Goenka**  
Managing Director

**NOTICE**

NOTICE is hereby given that 16TH ANNUAL GENERAL MEETING of the company will be held on Thursday, the 30th September, 2010 at 2:30 p.m. at O2 Hotel and Restaurant, Near Airport, Kaikhali, VIP Road, Kolkata-700 052 to transact the following businesses: -

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Balance Sheet and Profit and Loss Account as at March 31, 2010 for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sunil Jawaharlal Mandloi, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers him for re-appointment.
3. To appoint M/s. T.N. Datta and Associates, Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the company and to fix their remuneration.

**SPECIAL BUSINESS:**

4. **Appointment of M. M. Damani as Executive Director:**

To consider and, if thought fit, to pass with or without modification(s), if any, the following resolution as an **Ordinary resolution:**

“**RESOLVED THAT** Shri M. M. Damani, who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 read with the Articles of Association of the Company and who would vacate his office at the ensuing Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 along with necessary deposit from a Shareholder proposing the candidature of Shri M. M. Damani as a Director of the Company, be and is hereby appointed as a Director of the Company whose office shall be liable to retirement by rotation.”

**RESOLVED FURTHER THAT** the Shri M. M. Damani be and is hereby authorised to do, execute & sign all the documents, deeds and things as and when necessary, in the absence of Bimal Kumar Goenka (Managing Director) of the Company.

**RESOLVED FURTHER THAT** the Board or any other person authorized by the Board in this regard, be and is hereby authorized to do all such acts, deeds and things as may be necessary, desirable or expedient for giving effect to this resolution”

5. **Appointment of Mr. Ratan Lal Tamakhuwala as Non Executive Director:**

To consider and, if thought fit, to pass with or without modification(s), if any, the following resolution as an Ordinary resolution:

“**RESOLVED THAT** Shri Ratan Lal Tamakhuwala, who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 read with the Articles of Association of the Company and who would vacate his office at the ensuing Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 along with necessary deposit from a Shareholder proposing the candidature of Shri Ratan Lal Tamakhuwala as a Director of the Company, be and is hereby appointed as a Director of the Company whose office shall be liable to retirement by rotation.”

**RESOLVED FURTHER THAT** the Board or any other person authorized by the Board in this regard, be and is hereby authorized to do all such acts, deeds and things as may be necessary, desirable or expedient for giving effect to this resolution”



6. **Appointment of Mr. Bimal Kumar Goenka as Managing Director:**

To consider and if thought fit, to pass with or without modification(s) if any, the following resolution as an **Ordinary resolution**

**“RESOLVED THAT** pursuant to the provisions of Section 198, 269, 309 and 310 and other applicable provisions, if any, of the Companies Act, 1956, read with schedule XIII of the Act, the Company hereby approves the appointment and terms of remuneration of Mr. Bimal Kumar Goenka as the Managing Director of the Company for a period of three years with effect from May 15, 2010 upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) with liberty to the Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Directors and Mr. Bimal Kumar Goenka.”

**“RESOLVED FURTHER** that the Board or a Committee thereof be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

By Order of the Board of Directors

Sd/-

**Bimal Kumar Goenka**  
Managing Director

Place: Mumbai  
Date : 05.09.2010

**NOTES**

1. A member entitled to attend and vote at the meeting, is entitled to appoint a proxy to attend and, on a poll, to vote instead of himself at the meeting.  
  
A proxy need not be a member. A proxy in order to be effective must be received by the company at its registered office not less than 48 hours before the meeting.
2. The instrument(s) appointing the proxy, if any, shall be deposited at the registered office of the company at 1/1W Gariahat Road (south), Jodhpur Park, Mezanine Floor, Kolkata 700068.
3. An explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Annual General Meeting is attached.
4. The Register of Members and the Share Transfer Books of the company will remain closed from 27.09.2010 to 30.09.2010 (both days inclusive).
5. Members (Those holding shares in the physical form only) are requested to inform the changes if any, in their registered address to the company's Share Transfer Agent.
6. For the convenience of the Members, an Attendance Slip is annexed to the Proxy Form. Members are requested to affix their signature at the space provided and fill up the particulars and hand over the attendance slip at the place of the Meeting.
7. Members desiring any information on the Accounts are requested to write to the Company at least one week before the meeting so as to enable the Management to keep the information ready and replies will be provided at the meeting.

By Order of the Board of Directors

Sd/-

**Bimal Kumar Goenka**  
Managing Director

Place : Mumbai  
Date : 05.09.2010

**EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956**

**Item no. 4**

Shri M. M. Damani was appointed as an Additional Director of the Company and will hold office upto the date of the ensuing Annual General Meeting of the Company. The Company has received a notice under Section 257 of the Companies Act, 1956 from a member signifying his intention for appointment of Shri M. M. Damani as a Director of the Company.

Considering varied experience of Shri M. M. Damani in field of handling commercial and management aspects of the organisation it will be in the interest of the company to appoint him as a director. Your Director recommends the appointment of Shri M. M. Damani as a Director.

None of the director is concerned and interested except Shri M. M. Damani in this resolution.

**Item no. 5**

Shri Ratan Lal Tamakhuwala was appointed as an Additional Director of the Company and will hold office upto the date of the ensuing Annual General Meeting of the Company. The Company has received a notice under Section 257 of the Companies Act, 1956 from a member signifying his intention for appointment of Shri Ratan Lal Tamakhuwala as a Director of the Company.

Considering varied experience of Shri Ratan Lal Tamakhuwala in field of handling commercial and management aspects of the organisation it will be in the interest of the company to appoint him as a director. Your Director recommends the appointment of Shri Ratan Lal Tamakhuwala as a Director.

None of the director is concerned and interested except Shri Ratan Lal Tamakhuwala in this resolution.

**Item No. 6**

The Board of Directors at its meeting held on 15th May 2010, have appointed Mr. Bimal Kumar Goenka as the Managing Director of the Company for a period of 3 years with effect from May 15, 2010, subject to approval of the Members

The main terms and conditions of appointment of Mr. Bimal Kumar Goenka (hereinafter referred to as the Managing Director) are given below:

a) Tenure of Appointment:

The appointment of the Managing Director is for a period of 3 years with effect from May 15, 2010

b) Remuneration:

Basic salary upto a maximum of Rs 50000/- per month, with the authority to the Board to fix the salary within the said maximum amount

c) Perquisites:

The Managing Director shall be eligible for perquisites including Medical Reimbursement, Leave Travel Allowance, Staff Conveyance and such other perquisites as may be Permissible in accordance with the Company's Employment Rules from time to time the aggregate of which in a financial year shall not exceed 10% of salary of the Managing Director for such financial year.

d) Minimum Remuneration:

Notwithstanding anything to the contrary herein contained where in any financial year closing on and after 31st March 2010, the company has no profits or its profits are inadequate in any financial year. The company may pay to the Managing Director, a minimum remuneration at the same substantive level, as mentioned in Clause I and II above and in addition thereto the perquisites \benefits expressly exempt from the aforesaid limits as specified under section II of Schedule XIII to the Companies Act, 1956 including any statutory modification or re-enactment thereof, for the time being in force, and passed on the prevailing Effective Capital of the Company from time to time.

e) Other Terms of Appointment:

i. The terms and conditions of the appointment of the Managing Director may be altered and varied from time to time by the Board as it may in its discretion deem fit, irrespective of the limits stipulated

## GREENEARTH RESOURCES & PROJECTS LIMITED

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under Schedule XIII to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the Managing Director, subject to such approvals as may be required.

- ii. In the event the Managing Director is not in a position to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate his contract on such terms as the Board may consider appropriate in the circumstances.
- iii. Upon the termination by whatever means of the Managing Director's employment :
  - 1) the Managing Director shall immediately tender his resignation from offices held by him
  - 2) the Managing Director shall not without the consent of the Company at any time thereafter represent himself as connected with the Company
- iv. In accordance with the Articles of Association of the Company, The Managing Director will not be liable to
- v. The Managing Director is appointed as a Director by virtue of his employment in the Company and his employment shall be subject to the provisions of section 283(1)(1) of the Act.
- vi. If and when the Agreement expires or is terminated for any reason whatsoever, he will cease to be the Managing Director and also cease to be a Director. If at any time, the Managing Director ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the Managing Director, and the agreement shall forthwith terminate.

Mr. Bimal Kumar Goenka is concerned or interested in the Resolution at Item no. 6 of Notice

In compliance with the provisions of Section 198, 269, 309 and 310 and other applicable provisions of the Act read with Schedule XIII to the Act, the terms of appointment and remuneration of Mr. Bimal Kumar Goenka as specified above, are now placed before the members for their approval.

By order of the Board of Directors

Sd/-

Place : Mumbai  
Dated : 05.09.2010

**Bimal Kumar Goenka**  
Managing Director

## DIRECTOR'S REPORT

To,

The Members

Your Directors have pleasure in presenting their 16th Annual report on the business and operations of the company and the accounts for the financial year ended 31st March, 2010

### 1. Performance of the Company :

a) Turnover :

Current Year (In Rs.)	Previous Year (In Rs.)
2,71,61,48,662	4,41,49,27,935

During the Year, almost all customer segments of the company saw a lower production level.

During this year the turnover of Rs. 27,161.49 lacs is much lesser than previous year which is Rs. 44,149.28 lacs.

Particulars	Year ended 31st March 2010 (In Rs.)	Year ended on 31st March 2009 (In Rs.)
Income from sales / operations	2,71,61,48,662	4,41,49,27,935
Other income	3,41,22,197	3,94,44,082
Increase/ (Decrease) in stocks	(7,66,96,309)	20,27,76,698
Total income	2,67,35,74,551	4,65,71,48,715
Operating Expenditure	2,23,21,03,486	3,32,26,34,378
Profit from operations before Depreciation, Interest & Preliminary Exp. w/off.	40,73,48,866	1,29,50,70,255
Interest and financial charges	25,35,48,939	30,06,53,249
Depreciation	26,07,15,663	33,94,70,321
Preliminary Exp. w/off.	8,75,033	8,75,033
Profit after interest and depreciation	(7,36,68,570)	69,34,70,321
Exceptional Items	-	-
Profit /loss before taxes	(7,36,68,570)	69,34,70,321
Tax Expenses	2,73,50,073	(24,09,76,711)
Net Profit / loss for the year	(4,63,18,497)	45,25,39,023

b) Financial Restructuring :

As per the current year financial results, Company has not decided for any type of restructuring for this current year.

### 2. Dividend :

In view of losses the directors of company has not recommended any dividend for the current year.

### 3. Term Deposits:

During the year under review, your Company has not accepted any deposit under Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975.

**4. Information Under Section 217(2a) Of The Companies Act, 1956 :**

None of the employees was in receipt of remuneration exceeding the limit specified under section 217(2A) of the Companies Act, 1956.

**5. Directors:**

Shri Sunil Jawaharlal Mandloi, Director of the Company, retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

Shri Rishi Raj Agarwal resigned as director of the Company on 17th August, 2010. The Board places on record their deep appreciation for the services rendered by Shri Rishi Raj Agarwal during his tenure on the Board.

Shri M. M. Damani, and Shri Ratan Lal Tamakhuwala, were appointed as additional directors of the Company during the year. They will hold his office as such till the ensuing Annual General Meeting. The Company has received a Notice under Section 257 of the said act from a shareholder proposing the candidature of the said Additional Directors for the office of Director of the Company.

Shri Bimal Kumar Goenka was also appointed as the Additional Director and subsequently as Managing Director of the Company the members approval for which is sort in the ensuing Annual General Meeting and he will not be liable to retire by rotation.

**6. Director's Responsibility Statement As Required Under Section 217(2aa) Of The Companies Act, 1956 (As Amended)**

Your Directors state:

- a. that in the preparation of the annual accounts, the applicable accounting standards have been followed
- b. that we 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 2009-2010 and the profit / Loss of the Company for that year.
- c. that we 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
- d. that we have prepared the annual accounts on a going concern basis.

**7. Auditors**

M/s T.N. DATTA & Associates, Chartered Accountants, the Statutory Auditors of the Company, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received Letters from M/s .T.N. Datta & Associates, Chartered Accountants to the effect their appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956. Members are requested to appoint auditors for the current year and to authorize the Board to fix their remuneration.

**8. Auditor's Report**

Most of the adverse remarks and qualifications in the Auditors Report are due to non availability of documents and information all of which were destroyed due to an accident and is beyond the control of the company and its directors. Your directors are of the view that Notes to the Accounts adequately provide the necessary information and answer the observations of the Auditors in their Report.

**9. Conservation of Energy, Research & Development, Technology, Absorption and Foreign Exchange Earning & Outgo**

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required under section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of

particulars in the report of the Board of Directors) Rules, 1988 is given as per Annexure 'A' and forms part of Director's Report.

**10. Acknowledgements**

The Directors thank the Company's customers, vendors, investors, business associates, bankers for their support to the company. The Directors appreciate and value the contributions made by every member of the "Greenearth" family across the country.

For and on behalf of the Board of Director

Sd/-

Place : Mumbai  
Date : 05.09.10

**Bimal Kumar Goenka**  
Managing Director

**ANNEXURE TO DIRECTORS REPORT**

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

Particulars with respect to Conservation of Energy, Technology Absorption as per section 217(1)(e) of the Companies Act, 1956 read with Company's (Disclosure of particulars in the Board of Directors) Rule, 1988 for the year ended 31st March 2010-are annexed to this report.

**CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO**

**A. CONSERVATION OF ENERGY**

The operations of the company are not energy intensive. However wherever possible the company strives to curtail the consumption of energy on continued basis. Further company has absorbed latest technology which is helpful in conserving energy.

**B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

The Company over the years through its experience has developed modified and adopted unique technique of stamping of LAM Coke which increases the efficiency of Coke.

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

Foreign exchange earnings and outgo during the year 2009-2010 are as under.

<b>Particulars</b>	<b>2009-10</b>	<b>2008-09</b>
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo	Nil	Nil

By order of the Board of Directors

Sd/-

Place : Mumbai  
Dated : September 5, 2010

**Bimal Kumar Goenka**  
Managing Director



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## Management's Discussion and Analysis Report

### Business Overview

Greenearth Resources and Projects Ltd (Formerly known as Austral coke and Projects Ltd) is involved in manufacturing and sale of low ash metallurgical (LAM) coke, refractory in India. Considering the strong prospects of the coke industry, the company has shifted its main focus to coke business. Coke is used by industries, such as steel, foundries, blast furnaces, zinc smelters, cement and the Ferro alloy manufacturers.

### Industry Dynamics

Coke - a derivative of metallurgical coking coal is particularly a raw material used by various industries. Being a vital component in the process of conversion of metallurgical ores into metal, coke plays an important role in the metal industry. India's coke consumption has grown at a CAGR of around 6% since 1999-2000 due to the high growth in steel and pig iron consumption. The coke industry is dominated by large integrated steel plants (ISPs). Traditionally, coke production has been captive, thus ISPs leaving a meagre surplus for merchant trading. But during the last 10 years, a number of pig iron plants have been built in India without captive coke making facilities. Also, most coke oven batteries are located in the eastern region of the country in proximity to steel units. As a result, coke consumers in the western and southern regions have to rely primarily on imported coke.

### Major Coke consuming industries

- ◆ Pig iron producers and Steel Industry
- ◆ Foundry industry
- ◆ Ferro- alloys industry
- ◆ Blast Furnaces
- ◆ Zinc and lead producers
- ◆ Cement Industry

### Volatile Coke Prices

Led by the oscillation in demand-supply dynamics coupled with weakness in commodity complex, the coke prices have been extremely volatile. The Asian infrastructure boom and China's high steel consumption led to the rally of Coke prices from the base of US\$350-400/ tonne to the high of nearly US\$800/ tonne in August'09. Raw coking coal and bottle-neck in coke manufacturing facilities has equally played the role in this rally. Domestic markets taking cues from international prices also surged and the coke prices in India gained a decent hike where high ash low quality coke was also available

### Current Dynamics

With the global slowdown engulfing the world, the infrastructure sector has also suffered contraction and consequently steel producers world over have cut down production. This has caused a direct impact on coke demand and pulled down prices. Currently ranging around US\$450-475, coke prices have come to reasonable levels and steel producers have been benefitted with low raw material costs. Being cautious in the fragile market scenario, players are keeping low inventory levels and thus the coke demand has seen downturn in the last quarter. However, steel demand in India is far from softening on long term basis, and with inventory levels turning near to ground, the demand is once again expected to resurface. We expect the coke prices to lower at current level in the near term due to weak sentiments but recover to sustainable levels to nearly US\$500/tonne in the medium to long term.

## GREENEARTH RESOURCES & PROJECTS LIMITED

### Financials

Particulars	As at 31.03.10 (In Rs.)	As at 31.03.09 (In Rs.)
Balance Sheet		
a. Share Capital	29,02,96,040	29,02,96,040
b. Reserves and Surplus	3,88,72,29,236	3,93,35,47,731
c. Loans (Secured and Unsecured)	1,12,85,33,424	1,05,01,40,319
d. Net Fixed Assets	2,82,59,29,556	2,74,60,10,148
e. Net Current Assets	1,96,34,83,094	2,01,76,99,707
<b>Profit and Loss Account</b>		
1. Sales	2,71,61,48,662	4,41,49,27,935
2. Increase/(Decrease) in Stocks	(7,66,96,309)	20,27,76,698
2. Other Income	3,41,22,197	3,94,44,082
3. Profit Before Interest, Depreciation and Tax	44,05,96,032	1,33,36,39,304
4. Net Profit After Tax	(4,63,18,497)	45,25,39,023
5. Earning Per Share	(0.16)	18.20

The performance of your company during the year under review has been encouraging. During the year under review, Turnover and Net Profit for the year is Rs.2,71,61,48,662/- and Rs.(4,63,18,497) /- as compared to the previous year Rs.4,41,49,27,935/- and Rs.45,25,39,023/- respectively. Profits (PBDIT) decreased from Rs 1,33,36,39,304/- in 2008-09 to Rs. 44,05,96,032/- in 2009-10. Profit before tax (PBT) has reduced from Rs. 69,34,70,321/- in 2008-09 to Rs. (7,36,68,570) /- in 2009-10. Profit after tax in 2008-09 was Rs. 45,25,39,023/- and Rs. (4,63,18,497)/- in 2009-10.

### Risk and Threats to Business

The Steel sector has been severely impacted due to the economic slowdown and the coal consumption as raw material also fell down. This sector requires large amount of funds for investment which has further brought the sector under pressure. Slowdown in industry generally and specifically to this industry and job losses are having adverse impact on the sector. Difficulty in getting finance at reasonable cost may hamper the business. While these concerns are valid to some extent, the Company believes that in near future we will be able to control the situation because of their skills, competencies, professional management and demand supply gap.

The Company has taken various initiatives to arrange the required funds for future requirements i.e. sale of land and development rights, attracting investments for specific projects and diluting promoter's stake etc. The Company is confident that the above initiatives taken by it will give desired results in the next six to nine months and adequate cash will be available with the Company to discharge its financial obligations.

### Human resource management

A strong brand image has been built thanks to the high standard of quality products delivered by the Company. This could not have been possible but for the dedicated professional and experienced manpower resources of the Company. The Company ensures best work environment and equal opportunities with better prospects of career development to all its employees. Best talent is attracted and retained by the Company.

### Information Technology

The Company is continuously working and concentrating on IT to get maximum benefit for the organization. The Company has been able to use a good ERP system successfully. The Company has been able to manage such a large size of business successfully only because of excellent information technology systems and processes.

### Internal Control System and Their Adequacy

The Company has an in-house internal audit department which examines and ensures adequate internal checks and control procedures. It also ensures proper accounting, records authorization, control of operations and compliance with law. The Company has a strong reporting system which evaluates and forewarns the management on issues related to compliance. Further the Company is continuously working to improve and strengthen internal check and control system to align with the expected growth in operations.

**Risk Management**

The Company is taking care of its risk management through robust risk management system. Risks are being identified to achieve its strategic business objective; plans are made, implemented and monitored to mitigate such risks.

**Compliance with Local Laws**

The Company believes strongly in complying with the laws of various states where it operates. The Company has a well-established legal set up for ensuring compliance with all statutes which are applicable periodically to its operations/ ventures. Any approvals or permissions related to specific operations are either handled by corporate legal cell or by the concerned department.

**Cautionary Statement**

In accordance with the Code of Corporate Governance approved by the Securities and Exchange Board of India, shareholders and readers are cautioned that in the case of data and information external to the Company, no representation is made on its accuracy or comprehensiveness though the same are based on sources believed to be reliable. Utmost care has been taken to ensure that the opinions expressed by the management herein contain its perceptions on the material impacts on the Company's operations but it is not exhaustive as they contain forward-looking statements which are extremely dynamic and increasingly fraught with risks and uncertainties. Actual results, performances, achievements or sequence of events may be materially different from the views expressed herein.

**CORPORATE GOVERNANCE**

**CORPORATE GOVERNANCE PHILOSOPHY**

Greenearth Resources and Projects Ltd has been in the forefront in adopting the best Governance Practices so as to promote ethical values, social responsibility, transparency, accountability, fairness, integrity and compliance with existing legislation. Our corporate governance mechanism is being implemented in its true letter and spirit so as to ensure that all the stakeholders of the company maximize their value legally, ethically and benefit in the long run, by way of sustained growth and value addition.

The company strives to adopt the best governance and disclosure practices with the following principles in mind:

- a) The Management of the Company is the trustees of the shareholders funds and not the owners of the same.
- b) Keep a clear distinction between personal and corporate resources.
- c) Disseminate clearly the internal function of the Company to the outside world.
- d) Comply with all applicable laws of land in which the Company operates.
- e) Maintain high degree of integrity in its disclosure.

In line with the Statutory Compliances as stated in Clause 49 of the Listing Agreement(s), the Company has fully complied with the same.

**1. COMPOSITION OF BOARD OF DIRECTORS**

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors. The Non-Executive Directors with their diverse knowledge, experience and expertise bring in their independent judgment in the deliberations and decisions of the Board.

The composition of the Board is in accordance with the requirements of the corporate Governance code of Listing Agreement with the stock exchanges. The Board of Directors consists of optimal combination of Non-Executive and Independent directors during the year. As on 31st March, 2010 the Board comprised of Five (5) Directors of which two (2) are Independent. The Chairman of the Board is a Non-Executive Director.

The Company has a Non Executive Chairman and the number of Independent Directors is one-third of the total number of Directors,

None of the Directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees (as specified in clause 49 of the Listing Agreement), across all the Companies in which he is a Director.

**a) Attendance of Board of Directors**

Our Board of Directors comprises of the following members and the details of meeting attended by directors are as under:-

Name of Director	Category*	Attendance	No. of Directorship/ Committee Positions held in other Public Companies			
		Board	Last AGM	Directorship	Committee Chairmanship	Committee Membership
Mr. Rishi Raj Agarwal	PD and ED	13	Yes	2	-	2
Mr. B. K. Goenka	MD	2	No	-	-	-
Mr. M. M. Damani	ED	3	Yes	-	-	-
Mr. Alok Bansal**	NED	7	-	-	-	-
Mr. Sunil Mandloi**	NED	5	-	-	-	-
Mr. Ratan Lal Tamakhuwala	PD & NED	11	Yes	2	-	-

\* PD - Promoter Director      NED - Non- Executive Director

ED - Executive Director      MD - Managing Director

\*\* Mr. Bimal Kumar Goenka has been appointed as Director as on 8th February 2010, Mr. M. M. Damani have been appointed as additional director as on 30th January 2010, Mr. Alok Bansal and Mr. Sunil Mandloi have been appointed as Non Executive Directors on 30th October, 2009 and 28th November, 2009 respectively.

**b) Board Procedure**

During the financial year 2009-2010, the Board of Directors met on the following dates: 28.05.2009, 09.06.2009, 16.06.2009, 30.06.2009, 30.07.2009, 11.08.2009, 02.09.2009, 09.10.2009, 30.10.2009, 09.11.2009, 28.11.2009, 31.12.2009, 30.01.2010, 08.02.2010, 25.03.2010. The gap between any two meetings did not exceed four months, as mentioned in clause 49 of the listing agreement. The dates of the meeting were generally decided in advance. Key information is placed before Board of Directors to appraise corporate governance.

**2. BOARD COMMITTEES**

Presently the Board has two Committees, Audit Committee and Investor Grievances/ Share Transfer Committee. Members of Audit Committee consist of non-executive Chairman with combination of executive and non-executive directors as Member while investor grievances / share transfer committee consist of two executive directors and one non-executive director.

**Board compensation**

The compensation to the Directors is approved by the Shareholders and disclosed separately in Notes to Accounts. Compensation to the Managing Director(s) consists of fixed salary and/or performance incentive. Sitting Fees payable to the Independent Directors is limited to a fixed amount per year approved by the Board and the shareholders.

The following committees have been formed in compliance with the Corporate Governance norms:

**AUDIT COMMITTEE**

Audit committee of the Board has been constituted in compliance with the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement relating to the composition and terms of reference of the Audit Committee. Audit Committee is, inter alia, responsible for the financial reporting and ensuring compliance with the Accounting Standard and reviewing the financial policies of our company and to recommend the appointment of statutory auditors and internal auditors and to fix their remuneration. The Committee is responsible for reviewing the reports from internal auditors as well as the group Companies. The Committee will review all quarterly reports before submission of the same to the Board. Name of the directors who are members of the Committee and the details of meeting attended by directors are as under:

**Members of Committee:**

Shri Sunil Mandloi	Chairman (Appointed from 28th November, 2009)
Shri Alok Bansal	Member (Appointed from 30th October, 2009)
Shri Rishi Raj Agarwal	Member (Appointed from 30th July, 09 till August 17, 2010)

- a) Audit committee comprises executive and non-executive directors as a member.
- b) Attendance at the audit committee meeting: The committee met Four times during the year and quorum was present for every meeting.
- c) Dates of the Audit committee meeting held: Four Audit Committee meetings were held during the year 2009-10, on 30th June, 2009, 30th July, 2nd 2009, 30th October 2009 and 30th January, 2010.
- d) Chief Accounts Officer of our Company attends the Committee Meetings, Representatives of Statutory Auditors and Internal Auditors are invited to attend the meetings. Company Secretary acts as the Secretary of the Committee.
- e) Brief terms of reference:
  - i) Oversight of company's financial reporting process.
  - ii) Recommendation of appointment of external auditors and their remuneration.
  - iii) Review of quarterly, half yearly and annual financial statements.
  - iv) Review of internal control system and internal audit function.
  - v) Management discussion and analysis of financial condition and results of operation.
  - vi) Significant related party transactions.

## GREENEARTH RESOURCES & PROJECTS LIMITED

### SHARE/DEBENTURE TRANSFER AND INVESTORS' GRIEVANCE COMMITTEE

Our Company has constituted an investors relations committee comprising of 3 directors for speedy disposal of the share transfer requests received by our company. The committee along with overseeing share transfer work looks into the complaints received from investors. The names of directors who are members of the Committee and the details of meeting attended by directors are as under:-

Shri Sunil Mandloi	Chairman (Appointed from 28th November, 2009)
Shri Rishi Raj Agarwal	Member (Appointed from 30th July, 09 till August 17, 2010)
Shri M. M. Damani	Member (Appointed from 30th Jan.2010)
Shri Bimal Kumar Goenka	Member (Appointed from 8th Feb, 2010)

Two Share/Debenture Transfer and Investors' Grievance Committee meetings were held during 2009-2010, on 30th October 2009 and 30th January 2010.

The Committee expresses its satisfaction with the Company's performance in dealing with the Investors' Grievances.

### SHAREHOLDING OF THE DIRECTORS IN OUR COMPANY

The Articles of Association do not require the directors to hold any qualification shares. The present shareholding of Directors is detailed below:

Name of the Director	Designation	No. of Shares held	% of paid-up share capital
Mr. Rishi Raj Agarwal	Managing Director*	85,73,122	2.95
Mr. Bimal Kumar Goenka	Managing Director**	Nil	Nil
Mr. M. M. Damani	Director	Nil	Nil
Mr. Alok Bansal	Non-Executive Director	Nil	Nil
Mr. Sunil Mandloi	Director	Nil	Nil

\* Resigned as Managing Director on 15th May, 2010

\*\* Appointed as Managing Director on 15th May, 2010

### INTEREST OF DIRECTORS

All Directors of our company may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a Committee thereof as well as to the extent of other remuneration, reimbursement of expenses payable to them under the Articles of Association of our company. All our Directors may also be deemed to be interested to the extent of Equity Shares, if any, already held by them or their relatives in our company or that may be subscribed for and allotted to them and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

The Directors may also be regarded as interested in the Equity Shares, if any, held by or that may be subscribed by and allotted to the Companies, firms and trust, in which they are interested as Directors, Members, Partners or Trustees.

### DIRECTORS REMUNERATION/SITTING FEES FOR THE YEAR ENDED MARCH 31, 2010:

Sr. No.	Name of Director	Sitting Fees	Salaries	Total
1.	Mr. Rishi Raj Agarwal	—	—	—
2.	Mr. M.Damani	—	—	—
3.	Mr. Alok Bansal	—	—	—
4.	Mr. Sunil Mandloi	15,000	—	15,000
	<b>TOTAL</b>	<b>15,000</b>	<b>—</b>	<b>15,000</b>

**GENERAL BODY MEETINGS:**

Details of last three Annual General Meetings are as follows:

AGM NO.	Date	Location	Time	No. of Special Resolution Passed
13	6th Aug., 2007	O2 Hotels and Restaurants, Near Airport, Kaikhali, VIP Road, Kolkata - 700052	1:00 pm	1*
14	24th July, 2008	O2 Hotels and Restaurants, Near Airport, Kaikhali, VIP Road, Kolkata - 700052	2:00 pm	–
15	26th Dec.2009	O2 Hotels and Restaurants, Near Airport, Kaikhali, VIP Road, Kolkata - 700052	2.30 pm	1*

\* A Special Resolution was passed U/S 81(1A), in the AGM held on 6th August, 2007 to seek approval of members for IPO of Equity Shares.

\* A Special Resolution was passed U/S 21 and U/S 31 in the AGM held on 26th December, 2009 for the change of the name of company.

**MEANS OF COMMUNICATION**

Information like quarterly / half yearly / annual financial results and press releases on significant developments in the company that has been made available from time to time, has been submitted to the stock exchanges to enable them to put them on their websites and communicate to their members. The quarterly / half yearly / annual financial results are published in English and Regional newspapers. Moreover, a report on management discussion and analysis has been given elsewhere in this report.

**CORPORATE ETHICS**

The Company adheres to the highest standards of business ethics, compliance with statutory and legal requirements and commitment to transparency in business dealings. A code of conduct for Board Members and Senior Management and A Code of Conduct for Prevention of Insider Trading as detailed below has been adopted.

Pursuant to Clause 49 (D) of the Listing Agreement and the Securities and Exchange Board of India (Insider Trading) Regulations (as amended) respectively:

**a) Code of Conduct for Board Members and Senior Management**

The Board of Directors of the company adopted the Code of Conduct for its members and Senior Management at their meeting. The Code Highlights Corporate Governance as the cornerstone for sustained management performance, for serving all the stakeholders and for instilling pride of association.

The Code is applicable to all directors and specified senior management executives the code impresses upon directors and senior management executives to uphold the interest of the company and its stakeholders and to endeavour to fulfil all the fiduciary obligations towards them. Another important principle on which the code is based is that the Directors and Senior Management Executives shall act in accordance with the highest standard of honesty, integrity, fairness, and ethical conduct and shall exercise utmost good faith, due care and integrity in performing their duties.

**Declaration affirming Compliance of Code of Conduct**

A Declaration by the Managing Director affirming Compliance of Board members and Senior Management personnel to the code are also annexed herewith.

**b) Code of Conduct for Prevention of Insider Trading**

The Company has adopted a Code of Conduct for Prevention of Insider Trading for its Management, staff and Directors. The Code lays down guideline and procedures to be followed and disclosures to be made by directors, top level executives and staff whilst dealing in shares. The Company Secretary has been appointed as the Compliance Officer for monitoring the said code.

## GREENEARTH RESOURCES & PROJECTS LIMITED

### DISCLOSURES

- a) There are no transactions, which have a potential conflict with the interests of the Company at large.
- b) The Company has complied with the requirements of the Stock Exchanges/SEBI/any other Statutory Authority on all the matters related to capital markets. There are no penalties or strictures imposed on the Company by the Stock Exchanges/SEBI/any other Statutory Authority relating to the above. However, SEBI through an ad interim ex-parte order dated September 01, 2009, has prohibited company from raising any further capital in any manner, directly or indirectly, whatsoever till further orders.
- c) The company affirms that no employee has been denied access to the Audit Committee.
- d) The company has complied with all mandatory requirements as stipulated in clause 49 of the listing agreement with stock exchange.
- e) The Company has fulfilled the following non mandatory requirements:

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis forms part of this Annual Report

### COMPANY'S CORPORATE WEBSITE

The Company's Corporate Website is a comprehensive reference on Greenearth Resources and Projects Ltd's Management, Vision, Mission and Policies.

### GENERAL SHAREHOLDERS INFORMATION

<b>Registered Office of the Company</b>	1/1W, Gariahat Road (South) Jodhpur Park, Mezanine Floor, Kolkata-700 068
<b>Annual General Meeting</b>	Greenearth Resources and Projects Limited
<b>Date</b>	30th September. 2010
<b>Time</b>	2.30 P.M
<b>Venue</b>	O2 Hotel and Restaurant, Near Airport, Kaikhali, VIP Road, Kolkata - 700052
<b>Date of Book Closure</b>	27th September, 10 to 30th September, 10 ( both days inclusive)

### Listing of shares on stock exchanges and stock code

SR. No.	Name of the Stock Exchange/ Date	Stock code
1.	The Bombay Stock Exchange Limited -04.09.2008	533016
2.	National Stock Exchange of India Limited-04.09.2008	AUSTRAL -EQ

### Listing Fees for the year 2009-2010

Annual listing fees has been paid to BSE& NSE

### Market Price Data – BSE

Month	High Price	Low Price	Close Price	Total Turnover (Rs.)
Apr-09	325	210	321.15	918429865
May-09	350.3	281	289.25	584686935
Jun-09	320.95	244	259.9	352662386
Jul-09	394.9	241.25	385	1082237136
Aug-09	452	41.5	51.5	1842754532
Sep-09	52.9	22.6	23.15	531683314
Oct-09	23.3	12	12.2	793090923
Nov-09	12.6	7.9	8.2	816815565
Dec-09	10.99	7.25	9.62	916335351
Jan-10	10.53	7.66	7.94	437045636
Feb-10	8.1	5.9	6.75	231849116
Mar-10	10.3	6.6	7.81	565538052



**Market Price Data – NSE\***

Month	High	Low	Volume
Apr-09	3486.40	3366.70	9703.94
May-09	4488.05	4340.75	15181.73
Jun-09	4426.75	4267.35	9901.53
Jul-09	4669.75	4571.60	10951.04
Aug-09	4730.85	4635.00	9366.93
Sep-09	5087.60	5004.35	9175.80
Oct-09	4853.65	4687.50	11459.69
Nov-09	5066.35	4942.25	8574.32
Dec-09	5221.85	5168.75	7236.94
Jan-10	4893.70	4766.00	10116.63
Feb-10	4992.00	4858.45	10987.94
Mar-10	5293.90	5235.15	6542.18

\* Price data of NSE are taken as on the last day of each month.

**Distribution of Shareholding**

The shareholding distribution of Equity shares as on 31.03.10 is given hereunder:

**Nominal Value of each share Rs. 1.00**

Shareholding of Nominal Shares	Number of Shareholders	% of Total	Share Amount (Rs.)	% of Total
1 - 5000	107900	95.4521	89113684	30.6975
5001-10000	2988	2.6433	22974017	7.9140
10001-20000	1125	0.9952	16408943	5.6525
20001-30000	377	0.3335	9555687	3.2917
30001-40000	188	0.1663	6665136	2.2960
40001-50000	122	0.1079	5665356	1.9516
50001-100000	159	0.1407	11415991	3.9325
100001 and above	182	0.1610	128497226	44.2642
<b>Total</b>	<b>113041</b>	<b>100.0000</b>	<b>290296040</b>	<b>100.000</b>

**REGISTRAR AND TRANSFER AGENTS :**

Link Intime (India) Pvt. Ltd  
C-13, Pannalal Silk Milk Compound,  
Bhandup (W), Mumbai - 400078,  
Tele: (91 22) 25963838 Fax: (91 22) 25946969

**PLANT LOCATIONS**

Factory 1- Coke : Village- Lunva, Taluka : Bhachau, Distt: Kutch, Gujarat(India).

Factory 2- Refactory : Survey No. 351, Village- lunva, Taluka : Bhachau, Distt: Kutch, Gujarat (India).

**CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT POLICY**

The Board Members and the senior management Personnel have confirmed compliance with the Code of Conduct and Ethics for the period ended March 31, 2010, as provided under clause 49 of the Listing Agreements with the Stock Exchange.

For Greenearth Resources and Projects Limited  
(Formerly known as Austral coke & projects limited)

Sd/-

Place : Mumbai  
Date : 05.09.2010

**Bimal Kumar Goenka**  
Managing Director

## COMPLIANCE CERTIFICATE OF THE AUDITORS

A certificate from the auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this report.

### **Auditors Certificate on Corporate Governance**

To,

The Members,

Green Earth Resources and Projects limited

We have examined the compliance of conditions of corporate governance by Greenearth Resources and Projects Limited for the year ended 31st March, 2010, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchanges.

The compliance 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:

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement.

We further state that such 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 and on behalf of

**T. N. Datta & Associates**

Chartered Accountants

Sd/-

**T.N. Datta**

(Proprietor)

Membership No. 056676

Place : Mumbai

Date : 05.09.2010

## AUDITORS' REPORT

To,  
The Members of  
**Greenearth Resources and Projects Limited**  
Kolkata

1. We have audited the attached Balance Sheet of **M/s Greenearth Resources and Projects Limited as at 31st March, 2010** and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from any material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order 2003 issued by the Central Government in terms of sub-section (4A) of Section 227 of "The Companies Act, 1956" we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
  - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of the audit, except as otherwise stated;
  - (b) *As per information and explanation with documentary evidence provided by the company, the books of accounts from 01st April 2009 to 14 February 2010 as required by law was destroyed on 21st February 2010 during shifting of statutory records from corporate office Mumbai to Registered office Kolkata. Company has presented before us books of accounts for the above said period, which were regenerated from the various sources of data. However books of accounts from 15th February to 31st March, 2010 were produced before us for the purpose of audit.*
  - (c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account of the Company;
  - (d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 to the extent applicable except :

*The accounting for changes in foreign exchange rates, as required in accordance with accounting standard 11 "The effect of change in foreign exchange rates"*

*Provision for diminution in the value of Long Term investment, which is required in accordance with accounting standard 13 on "Accounting for Investment"*

*Provision for Actual liabilities of employees cost, which is not in accordance with accounting standard 15 "Employee Benefit"*

*Deferred Tax assets/liabilities accounted for to the extent of timing difference arising on depreciation. No other timing differences are considered as applicable in accounting standard 22 "Accounting for Taxes on Income"*

*Provision of impairment losses which is required in accordance with accounting standard 28 "Impairment of Assets"*
  - (e) On the basis of representations made by the Directors of the Company and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 from being appointed as a Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

(f) We further report that :-

*Unsecured Loans, Sundry creditors, Sundry Debtors, Loans and Advances and Deposits are subject to confirmation, reconciliation and adjustment if any.*

*We are Unable to comment on Debtors outstanding more than six months which is not stated in financial report.*

*We are Unable to comment on Loans and Advances given to subsidiaries and other.*

*We are Unable to comment on advance against capital goods*

(g) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with Significant Accounting Policies and Notes on Accounts forming part thereof, give the information required by the Companies Act, 1956, in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India;

I. In the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2010

II. In the case of Profit and Loss Account, of the Profit for the year ended on that date; and

III. In the case of Cash Flow Statement of the cash flows for the year ended on that date.

For **T.N. Datta & Associates**  
(Chartered Accountants)

Sd/-

**T.N. Datta**  
Proprietor

Membership No. 056676

Place : Kolkata

Date : September 05, 2010

## ANNEXURE TO THE AUDITORS' REPORT

### Annexure referred to in paragraph 3 our report of even date

On the basis of such checks as we considered appropriate and on the basis of examination of records and in terms of the information and explanations given to us, we state that:

- I (a) As there is *no documentary evidence*, we are not able to comment whether the company has maintained fixed assets register or not showing full particulars, including quantitative details and situation of fixed assets. However, till previous year 2008-09 company has maintained fixed assets register showing full particulars, including quantitative details and situation of fixed assets.
- (b) As there is *no documentary evidence* available we are not able to comment whether fixed assets have been physically verified by the management or not.
- (c) The Company has not disposed off substantial part of fixed assets so as to affect its going concern status.
- II (a) As explained to us the inventories have been physically verified by the management at reasonable intervals during the year.  
In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) As there is no documentary evidence is available we are not able to comment that whether the company has maintained proper records of its inventories and we are not able to comment about any material discrepancies on physical verification.
- III (a) As there is *no documentary evidence* is available we are not able to comment that whether company has granted any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under section 301 of the companies Act 1956,
- (b) We are *not able to comment* on the rate of interest and other terms and conditions, whether prima facie prejudicial to the interest of the company.
- (c) We are *not able to comment* relating to regularity of receipt of the Principal amount and interest.
- (d) We are *unable to comment* regarding loan taken from parties, covered in the register maintained under Section 301 of the Act.
- (e) We are *not able to comment* on other terms and conditions on which the loans have been taken is prima facie, not prejudicial to the interest of the company.
- (f) In view of our comments in Para III (d) and (e) above, clause III (g) of the said order is not applicable to the company.
- IV. In our opinion, there are generally adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to the purchase of consumables, stores, spares and fixed assets. We have not come across any instance of major weakness in the said internal controls.
- V. (a) As there is *no documentary evidence*, we are unable to form an opinion that the transactions in which directors were interested and which were required to be entered in the register maintained under section 301 of the Companies Act, 1956, have been so entered.
- (b) Based on the information and explanation given to us, in our opinion, these transactions have been made at reasonable prices having regard to the prevailing market prices at the relevant time.
- VI. The Company has not accepted any deposits from public; hence clause (vi) of the Order does not apply.
- VII. The Company has an internal audit system, which in our opinion is commensurate with the size and nature of its business.

- VIII. The Company is not required to maintain cost records under section 209(1) (d) of the Companies Act, 1956.
- IX. The company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it. There are no such material outstanding statutory dues accrued in accounts as of the last date of the financial year concerned for a period of more than six months from the date they became payable *except Income Tax payable for the financial year 2008-09.*
- X. The Company has not incurred cash loss during the year nor does it have accumulated losses, hence clause (x) of the Order does not apply.
- XI. *As no documentary evidence is available we are not able to comment that whether* the Company has defaulted in repayment of its dues to any Financial Institution or bank.
- XII. The Company has not granted any loans or advances on the pledge of any securities; hence clause (xii) of the order does not apply.
- XIII. In our opinion and according to the information and explanation given to us, the company is not a Chit fund or nidhi/mutual benefit fund/ society. Therefore, the provisions of clause (xiii) of paragraph 4 of the companies (Auditor's Report) order, 2003 are not applicable to the Company.
- XIV. *As no documentary evidence is available we are not able to comment that whether* the company is not dealing or trading in shares, securities, debentures and other investments, the requirements of clause 4(xiv) of the order relating to the maintenance of the proper records of the transactions are not applicable.
- XV. *As no documentary evidence is available we are not able to comment that whether* the guarantees given by the company for loans taken by others from banks and financial institutions, are not prima facie prejudicial to the interest of the company.
- XVI. *As no documentary evidence is available we are not able to comment that whether* term loans obtained during the year have been prima facie applied for the purpose for which they were taken.
- XVII. *As no documentary evidence is available we are not able to comment that whether* the information and explanation given to us and an overall examination of the Balance Sheet of the company, funds raised on short-term basis, have not been used for long-term investments.
- XVIII. During the year under review, the Company did not make any preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- XIX. The Company has not issued any secured debentures during the year, hence the question of creation of security or charge in respect of debenture issued does not apply.
- XX. The Company has not raised any money by public issues during the year under review.
- XXI. During the course of our examination of the books and records of the company, carried out /in accordance with the generally accepted practice in India, and according to the explanation and information given to us, we have neither come across any instance of fraud on or by the company.

For **T.N. Datta & Associates**  
(Chartered Accountants)

Sd/-

**T.N. Datta**  
Proprietor

Membership No. 056676

Place: Kolkata

Date : September 05, 2010

**GREENEARTH RESOURCES & PROJECTS LIMITED**

**BALANCE SHEET AS AT 31.03.2010**

<b>PARTICULARS</b>	<b>Schedule</b>	<b>31.03.2010 (Rs.)</b>	<b>31.03.2009 (Rs.)</b>
<b>SHAREHOLDERS' FUND :</b>			
Share Capital	1	<b>290,296,040</b>	290,296,040
Reserves & Surplus	2	<b>3,887,229,236</b>	3,933,547,731
<b>Deferred Tax Liability (Net)</b>		<b>320,013,786</b>	347,363,860
<b>LOAN FUNDS</b>			
Secured Loans	3	<b>1,102,533,424</b>	1,024,140,319
Unsecured Loans		<b>26,000,000</b>	26,000,000
		<b><u>5,626,072,486</u></b>	<b><u>5,621,347,949</u></b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>	4	<b>2,825,929,556</b>	2,746,010,148
<b>INVESTMENTS</b>	5	<b>741,455,455</b>	761,558,680
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Sundry Debtors	6	<b>2,804,820,584</b>	1,515,692,791
Inventories	7	<b>716,100,392</b>	792,796,701
Cash/Bank Balances	8	<b>448,374,502</b>	460,091,442
Loans & Advances	9	<b>1,696,334,134</b>	2,452,197,442
		<b><u>5,665,629,611</u></b>	<b><u>5,220,778,376</u></b>
<b>LESS : CURRENT LIABILITIES &amp; PROVISIONS</b>	10	<b>3,702,146,516</b>	3,203,078,669
Net Current Assets		<b>1,963,483,094</b>	2,017,699,708
Miscellaneous Expenditure	11	<b>95,204,381</b>	96,079,414
		<b><u>5,626,072,486</u></b>	<b><u>5,621,347,949</u></b>
Significant Accounting Policies	16		
Notes to Accounts	17		
Balance Sheet Abstract and Business Profile	18		

As Per our Report of even date attached  
For T.N.Datta & Associates  
(Chartered Accountants)

Sd-

**T.N. Datta**  
Proprietor  
Membership No.056676

Place : Kolkata  
Date : 05.09.10

For and on behalf of the Board

Sd/-

**Bimal Kumar Goenka**  
Managing Director

Sd/-

**M. M. Damani**  
Executive Director



**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2010**

<b>PARTICULARS</b>	<b>Schedule</b>	<b>31.03.2010 (Rs.)</b>	<b>31.03.2009 (Rs.)</b>
<b>INCOME</b>			
Sales		<b>2,716,148,662</b>	4,414,927,935
Other Income	12	<b>34,122,197</b>	39,444,082
Increase / (Decrease) in Stocks		<b>(76,696,309)</b>	202,776,698
<b>TOTAL</b>		<b><u>2,673,574,551</u></b>	<u>4,657,148,715</u>
<b>EXPENDITURE</b>			
Purchase		<b>1,899,435,095</b>	3,104,989,976
Manufacturing Expenses	13	<b>153,632,681</b>	158,616,267
Selling, General & Administrative Expenses	14	<b>179,035,711</b>	59,028,135
Financial Expenses	15	<b>253,548,939</b>	300,653,249
Preliminary Exp. w/off		<b>875,033</b>	875,033
<b>TOTAL</b>		<b><u>2,486,527,458</u></b>	<u>3,624,162,660</u>
Profit before Depreciation		<b>187,047,093</b>	1,032,986,055
Depreciation	4	<b>260,715,663</b>	339,470,321
Profit before Taxation		<b>(73,668,570)</b>	693,515,734
Provision for taxation		<b>-</b>	(78,575,333)
Deferred Tax Assets /(Liabilities)		<b>27,350,073</b>	(162,088,200)
Fringe Benefit Tax		<b>-</b>	(313,178)
Profit after Taxation and Depreciation		<b>(46,318,497)</b>	452,539,023
Profit brought forward from previous year		<b>887,752,530</b>	469,176,691
		<b>841,434,033</b>	921,715,714
Proposed Dividend / Dividend Paid		<b>-</b>	29,029,604
Tax on Proposed Dividend / Dividend Paid		<b>-</b>	4,933,581
		<b><u>841,434,033</u></b>	<u>887,752,529</u>

As Per our Report of even date attached  
For T.N.Datta & Associates  
(Chartered Accountants)

Sd-

**T.N. Datta**  
Proprietor  
Membership No.056676

Place : Kolkata  
Date : 05.09.10

For and on behalf of the Board

Sd/-

**Bimal Kumar Goenka**  
Managing Director

Sd/-

**M. M. Damani**  
Executive Director

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2010  
PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT.**

<b>PARTICULARS</b>	<b>31.03.2010 (Rs.)</b>	<b>31.03.2009 (Rs.)</b>
<b>A. CASH FROM OPERATING ACTIVITIES</b>		
Net Profit before extra ordinary items and Tax	(73,668,570)	693,515,735
<b>Adjustment for:</b>		
Depreciation	260,715,663	339,470,320
Preliminary Expenses written off	875,033	875,033
Interest debited to Profit and loss account	253,548,939	110,698,858
Other Non Operating (incomes)/ Expenses	(394,019)	(2,460,727)
Profit on sale of Assets(Net)	(14,458,885)	–
Interest Credit to Profit and Loss Account	(19,269,294)	(36,983,355)
<b>Operating Profit Before Working Capital Changes</b>	<b>407,348,868</b>	<b>1,105,115,864</b>
<b>Adjustment for:</b>		
(Increase)/Decrease in Trade and other Receivables	(1,289,127,793)	(625,268,323)
(Increase)/Decrease in Inventories	76,696,309	(202,153,088)
(Increase)/Decrease in other Current Assets	755,863,308	(2,193,042,736)
Increase/(Decrease) Current Liabilities and Provisions	499,067,847	2,380,194,897
<b>Cash Generated From Other Operations</b>	<b>449,848,540</b>	<b>464,846,614</b>
LESS: Income Tax Paid	–	81,395,782
<b>Cash Flow Before Extraordinary Items</b>	<b>449,848,540</b>	<b>383,450,832</b>
Extraordinary Items	–	1,927,177
<b>Net Cash From Operating Activities (A)</b>	<b>449,848,540</b>	<b>385,378,009</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed asset	(340,635,072)	(691,529,609)
Investment Purchased	(10,196,775)	(747,615,680)
Investment Sold	30,300,000	2,229
Preliminary Expenses Incurred	–	(83,781,690)
<b>Net Cash Used in Investing activities (B)</b>	<b>(320,531,846)</b>	<b>(1,522,924,750)</b>
<b>C. CASH FROM FINANCING ACTIVITY</b>		
Proceeds From Issue of Equity Shares	–	100,000,000
Security Premium	–	1,860,000,000
Proceeds from Borrowings	78,393,105	(575,252,099)
Interest/Dividend received	19,663,312	37,516,905
Interest paid	(239,090,051)	(110,698,858)
Dividend paid and tax thereon	–	(53,962,363)
<b>Net Cash Used in Financing Activities (C)</b>	<b>(141,033,634)</b>	<b>1,257,603,585</b>
<b>Net Increase in Cash and Cash Equivalents (A)+(B)+(C)</b>	<b>(11,716,940)</b>	<b>120,056,844</b>
<b>Cash &amp; Cash Equivalents (Opening Balance)</b>	<b>460,091,442</b>	<b>340,034,599</b>
<b>Cash &amp; Cash Equivalents (Closing Balance)</b>	<b>448,374,502</b>	<b>460,091,442</b>

As Per our Report of even date attached  
For T.N.Datta & Associates  
(Chartered Accountants)

Sd-

**T.N. Datta**  
Proprietor  
Membership No.056676

Place : Kolkata  
Date : 05.09.10

For and on behalf of the Board

Sd/-

**Bimal Kumar Goenka**  
Managing Director

Sd/-

**M. M. Damani**  
Executive Director

**SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT**

PARTICULARS	31.03.2010 (Rs.)	31.03.2009 (Rs.)
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**SCHEDULE - 1****SHARE CAPITAL****AUTHORISED**

5,00,00,000 Equity Shares (P.Y. :5,00,00,000) of Rs.10/- each	<b>500,000,000</b>	500,000,000
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**Issued, Subscribed & Paid-up**

2,90,29,604 Equity Shares of Rs.10/- each fully paid in cash ( Previous Year : 2,90,29,604 )	<b>290,296,040</b>	290,296,040
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**SCHEDULE - 2****RESERVE & SURPLUS**

Surplus as per Profit & Loss Account	<b>841,434,035</b>	887,752,530
Share Premium Account	<b>3,046,833,350</b>	3,046,833,350
Less: Deffered Tax Liability	<b>(1,038,149)</b>	(1,038,149)
	<b>3,887,229,236</b>	3,933,547,731

**SCHEDULE - 3****SECURED LOANS**

Term Loan	<b>541,823,225</b>	682,495,247
From Banks (working capital facilities)	<b>560,710,199</b>	341,645,072
	<b>1,102,533,424</b>	1,024,140,319

**SCHEDULE - 4****FIXED ASSETS**

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	AS ON 31.03.2009	ADDITIONS ADDITIONS	AS ON 31.03.2010	UPTO 31.03.2009	FOR 2009-10	UPTO 31.03.2010	AS ON 31.03.2010	AS ON 31.03.2009
Land	41,980,624	2,409,925	44,390,549	-	-	-	44,390,549	41,980,624
Building	66,692,090	-	66,692,090	13,329,317	5,336,277	18,665,594	48,026,496	53,362,773
Earthmoving Equipments	76,397,940	-	76,397,940	71,396,153	1,500,536	72,896,689	3,501,251	5,001,787
Plant & Machinery	2,921,364,658	2,085,574	2,923,450,232	608,021,096	252,683,995	860,705,091	2,062,745,141	2,313,343,562
Office Equipments	322,807	-	322,807	311,441	4,546	315,987	6,820	11,366
Computers	1,978,989	-	1,978,989	1,567,529	164,584	1,732,113	246,876	411,460
Furniture And Fixtures	5,656,284	-	5,656,284	3,478,902	394,107	3,873,009	1,783,275	2,177,382
Vehicles	4,640,063	-	4,640,063	2,113,601	631,616	2,745,217	1,894,846	2,526,462
Capital W.I.P.	327,194,729	336,139,573	663,334,302	-	-	-	663,334,302	327,194,729
<b>TOTAL</b>	<b>3,446,228,184</b>	<b>340,635,072</b>	<b>3,786,863,256</b>	<b>700,218,039</b>	<b>260,715,663</b>	<b>960,933,700</b>	<b>2,825,929,556</b>	<b>2,746,010,148</b>
Previous Year	2,754,698,575	691,529,609	3,446,228,184	360,747,718	339,470,321	700,218,039	2,746,010,148	2,393,950,856

## GREENEARTH RESOURCES & PROJECTS LIMITED

### SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT

PARTICULARS	31.03.2010 (Rs.)	31.03.2009 (Rs.)
<b>SCHEDULE - 5</b>		
<b>INVESTMENTS</b>		
a) Quoted - At Cost (5,30,000 Equity shares of Sancial Global Infraprojects Ltd.) (Market Value : Rs. 24.10 Per share)	-	5,300,000
b) Quoted - At Cost (2,50,000 units of JM Basic Fund) (Market Value : Rs. 18.19 Per Unit)	2,500,000	2,500,000
c) Quoted - At Cost (50,000 units of SBI Capital Protection Oriented Fund) (Market Value : Rs. 10.56 Per Unit)	500,000	500,000
d) Unquoted - At Cost (64300 Equity shares of M/s Industrial Lamcoke Projects Ltd.)	643,000	643,000
e) Quoted - At Cost (5,00,000 Units o UTI Infrastructure Advantage Fund Series-I Fund) (Market Value : Rs. 9.20 Per Unit )	5,000,000	5,000,000
f) Unquoted - At Cost (Astra Mining Limitada)	1,415,680	1,415,680
g) Unquoted - At Cost (2,18,67,000 Equity Shares @ SGD 1of Global Astra Pte Ltd.)	721,200,000	721,200,000
h) Quoted - At Cost (25057.538 Units of UTI Treasury Advantage Fund Institutional Plan (Dividend Option) Reinvestment (Market Value : Rs.1027.66 Per Unit)	-	25,000,000
i) IDFC Money Manager Fund	10,196,775	-
	<u>741,455,455</u>	<u>761,558,680</u>

### SCHEDULE - 6

#### SUNDRY DEBTORS

(Unsecured, considered good)

Debts due for period more than 6 months	-	96,639,186
Other Debts	2,804,820,584	1,419,053,605
	<u>2,804,820,584</u>	<u>1,515,692,791</u>

### SCHEDULE - 7

#### INVENTORIES

Raw Materials	239,025,058	550,584,696
Stock in Process	14,526,947	11,164,691
Finished Goods	461,615,263	230,114,190
Stores, spares & consumables	933,124	933,124
	<u>716,100,392</u>	<u>792,796,701</u>

**SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT**

<b>PARTICULARS</b>	<b>31.03.2010 (Rs.)</b>	<b>31.03.2009 (Rs.)</b>
<b>SCHEDULE - 8</b>		
<b>CASH &amp; BANK BALANCES</b>		
Cash in hand (As Certified by the management)	3,784,662	300,554
Balance with schedule Banks ( In Current Account)	64,225,432	169,262,635
Balance with schedule Banks ( In F.D. & Margin Money A/c )	380,364,407	290,528,253
	<u>448,374,502</u>	<u>460,091,442</u>

**SCHEDULE - 9****LOANS & ADVANCES**

Advance Recoverable in cash or in kind for value to be received	92,906,494	495,069,490
Advances towards capital goods	761,193,497	761,193,497
Loans & Advances	775,498,545	1,144,755,132
Sundry Deposits	11,621,318	13,717,846
Advance Tax (Incl.Tax Deducted at Source)	55,114,280	37,461,477
	<u>1,696,334,134</u>	<u>2,452,197,442</u>

**SCHEDULE- 10****CURRENT LIABILITIES & PROVISIONS****CURRENT LIABILITIES**

Sundry Creditors	1,493,563,691	1,936,744,526
Sundry Creditors (Capital)	591,148,620	591,463,383
Loans & Advances	1,390,420,584	500,474,242
Unpaid/Unclaimed Dividend	33,809	2,264,507

**PROVISIONS**

Outstanding Liability	128,636,241	73,788,548
Provisions for taxation	98,343,572	98,030,285
Fringe Benefit Tax	—	313,178
	<u>3,702,146,516</u>	<u>3,203,078,669</u>

**SCHEDULE - 11****MISCELLANEOUS EXPENDITURE**

Preliminary Expenses	96,079,414	96,954,447
Less : Written off during year	875,033	875,033
	<u>95,204,381</u>	<u>96,079,414</u>

**GREENEARTH RESOURCES & PROJECTS LIMITED**

**SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT**

PARTICULARS	31.03.2010 (Rs.)	31.03.2009 (Rs.)
<b>SCHEDULE - 12</b>		
<b>Other Income</b>		
Dividend Income	167,924	533,550
Other Miscellaneous Income	226,095	1,927,177
Interest on Bank Fixed Deposits/Investments	19,269,294	36,983,355
Profit on sale of Securities	14,458,885	-
	<u>34,122,197</u>	<u>39,444,082</u>

**SCHEDULE - 13**

<b>Manufacturing Expenses</b>		
Stores Consumed	10,236,904	15,749,329
Power & Fuel & Water Charges	11,048,784	22,948,209
Repairs & Maintenance Expenses	6,940,824	5,234,423
Labour Transportation & Port Charges	124,917,423	113,805,600
Vehicle Operation & Maintenance Expenses	488,745	878,706
	<u>153,632,681</u>	<u>158,616,267</u>

**SCHEDULE - 14**

<b>Selling, General &amp; Administrative Expenses</b>		
Salary & Wages	17,602,468	26,292,565
Travelling & Conveyance Expenses	2,080,288	4,155,486
Printing & Stationery	1,271,155	416,919
General Expenses	1,992,854	1,086,671
Electricity Expenses	511,459	673,878
Advertisement & Sales Promotion Expenses	552,761	1,274,598
Staff Welfare Expenses	355,199	1,046,582
Postage, Courier Expenses	891,546	193,294
Rent, Rates & Taxes	2,764,520	1,525,324
Telecommunication Charges	264,778	1,246,869
Repairs to Others	24,620	1,211,684
Directors Remuneration	-	960,000
Legal & Professional Charges	28,095,356	14,175,487
Bad Debts Written-off	118,341,087	-
Audit Fees	110,300	77,210
Transportation, Port & Insurance Charges	4,018,998	2,402,543
Directors Sitting Fees	15,000	406,000
Computer Expenses	143,322	51,974
Miscellaneous Expenses	-	1,831,051
	<u>179,035,711</u>	<u>59,028,135</u>

**SCHEDULE - 15**

<b>Finance Charges</b>		
Interest Paid on cash credit	63,180,187	30,898,140
Interest Paid on Term Loan	82,139,374	79,800,718
Bank & Finance Charges	108,229,378	189,954,391
	<u>253,548,939</u>	<u>300,653,249</u>

## SCHEDULES TO THE ACCOUNTS

### SCHEDULE - 16

#### SIGNIFICANT ACCOUNTING POLICIES

##### 1. Basis of preparation of financial statements:

- (a) The financial statements are prepared in accordance with Generally Accepted Accounting Principles (Indian GAAP) under the historical cost convention on accrual basis and on principles of going concern. The accounting policies are consistently applied by the Company except where otherwise stated.
- (b) The financial statements are prepared to comply in all material respects with the accounting standards notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.
- (c) The preparation of the financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known / materialized.
- (d) During the year financial statements has been prepared on the basis of bank statements, residuary information's and on the basis of management representations due to the loss of financial and other records while shifting of office documents and furniture from Corporate office ( Mumbai) to Registered office (Kolkata).

##### 2. Fixed Assets:

Fixed Assets are stated at cost less accumulated depreciation and impairment loss, if any. The cost of an asset comprises of purchase price and any directly attributable cost of bringing the assets to its present condition for intended use

Depreciation on the fixed assets has been provided on written down value method at the rates prescribed and in the manner specified in Schedule XIV to the Companies Act, 1956.

##### 3. Investments:

Investments are classified as current and long term investments. Current investments are stated at lower of cost or market value. Long term investments are stated at cost.

##### 4. Foreign Currency Transactions:

- (a) **Initial Recognition** – Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.
- (b) **Conversion** – Foreign currency monetary items are reported using the closing rate. Non-monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate on the date of transaction.
- (c) **Exchange differences** - Exchange differences arising on the settlement or conversion of monetary current assets and liabilities are recognized as income or as expense in the year in which they arise.
- (d) **Forward Exchange Contracts** – The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of foreign exchange contract is recognised as income or expense for the year.

##### 5. Inventories :

Inventories are measured at lower of cost or net realizable value. Stores and Spares parts valued as cost.

##### 6. Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

## GREENEARTH RESOURCES & PROJECTS LIMITED

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Sale of goods - Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales revenue is net of sales return, discounts and rebates.

Interest -Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividends - Revenue is recognized as and when received.

### 7. Employees' Retirement Benefits:

Contribution to Provident Fund is accounted when accrued. The company have the policy of encashing unutilized leave however there is no unutilized leave at the end of the year.

### 8. Borrowing Cost :

Interest and other borrowing cost on specific borrowings, relating to qualifying assets are capitalised as part of the cost of such assets upto the date when such asset is ready for its intended use. All other borrowing cost is charged to the profit and Loss Account.

### 9. Earnings per Share:

The basic earnings per share are calculated by dividing the profit after Tax for the period attributable to equity shareholders by the weighted average number of Equity Shares.

### 10. Taxes on Income:

Tax expense comprises of current tax, deferred tax and fringe benefit tax.

- (a) Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities, computed in accordance with the applicable tax rates and tax laws.
- (b) Deferred Tax arising on account of "timing differences" and which are capable of reversal in one or more subsequent periods is recognised, using the tax rates and tax laws that are enacted or substantively enacted. Deferred tax asset is recognised only to the extent there is reasonable certainty with respect to reversal of the same in future years as a matter of prudence.

### 11. Provisions, Contingent Liabilities and Contingent Assets:

- (a) A provision is recognised when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.
- (b) Contingent Liabilities are not provided for in the accounts and are shown separately in the Notes on Account.

### 12. Miscellaneous Expenditure:

Miscellaneous expenditure is written off to the profit and loss account over a period of up to five years, depending upon the nature and expected future benefits of such expenditure. The management reviews the amortization period on a regular basis and if expected future benefits from such expenditure are significantly lower or higher from previous estimates, the amortization period is accordingly change.

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## SCHEDULE - 17

### NOTES TO ACCOUNTS

#### 1. Contingent Liabilities:

- 1) Corporate Guarantee given on behalf of associate/group companies as on Balance Sheet date aggregating to Rs. 46,403 Lacs
- 2) Bank Guarantee issued by bankers and outstanding as on Balance Sheet date is Rs.71.15 Lacs
- 3) During the year search and seizure under section 132 of the income tax act 1961 have been conducted by income tax department as on 23rd June, 2009. However directors of the company do not anticipate any major income tax demand.



## 2. Secured Loans:

### Term Loan

- a) Term Loan I, II & III from State Bank of India is secured by the following :
1. First charge on entire assets created out of bank finance (Refractory and coke manufacturing units at village Lunva, Gujarat) and entire current assets of the company, present and future.
  2. Second Pari-passu charge on entire fixed assets of the company.
  3. First pari-passu charge alongwith the SB Indore over commercial land at Bachhau, Village Lunva, Gujarat.
  4. First charge on the commercial land at village lunva, commercial land at Silvassa, residential premises at Goregaon (Mumbai), office premises at Andheri (w) Mumbai.
  5. Personal guarantee of the Chairman & Managing Director of the company.
- b) Term Loan from Bank of India is secured by the following:
1. Ist Pari Passu Charge on Land at village Lunva, Gujarat.
  2. Ist Pari Passu Charge on movable plant & machinery, furniture & fixture etc.created out of the bank finance on factory land and building, Pari- passu with State Bank of Indore.

### Working Capital & Letter of Credit

#### Working Capital & Letter of Credit facility from State Bank of Indore is secured by the following:

1. Primarily secured by hypothecation of entire stocks of raw materials, stocks-in-process, finished goods and stores & spares, book-debts and goods-in-transit covered by documents of title thereon First pari passu basis with other working capital lenders.
2. Collaterally secured by second pari passu charge on entire fixed assets of the company, and first pari passu charge over commercial land at village Lunva Gujarat.
3. Personal guarantee of the Chairman & Managing Director of the company.

#### Working Capital & Letter of Credit facility from State Bank of India is secured by the following:

1. Entire current assets of the company, present and future.
2. Second Pari-passu charge on entire fixed assets of the company.
3. First pari-passu charge alongwith the SB Indore over commercial land at Bachhau, Village Lunva, Gujarat.
4. First charge on the commercial land at village lunva, commercial land at Silvassa, residential premises at Goregaon (Mumbai), office premises at Andheri (w) Mumbai
5. Personal guarantee of the Chairman & Managing Director of the company.

#### Working Capital & Letter of Credit facility from Bank of India is secured by the following :

1. Ist Pari-passu charge on the current assets of the company with working capital lenders.
2. Pledge of term deposit receipts.
3. Collaterally secured by 2nd Pari Passu charge on entire movable plant and machinery of the company.
4. Collaterally secured by 2nd pari passu charge by way of EQM of specified commercial lands at village Lunva & Maassat in Dadra & Nagar Haveli, Residential & Commercial premises at Mumbai.
5. Personal guarantee of the Chairman & Managing Director of the company.

#### Working Capital & Letter of Credit facility from IDBI Bank is secured by the following:

1. Primarily secured by first pari passu charge on the entire current assets of the company.
2. Collaterally secured by second pari passu charge on entire fixed assets.
3. Personal guarantee of the Chairman & Managing Director of the company.

## GREENEARTH RESOURCES & PROJECTS LIMITED

### Letter of Credit facility from Barclays Bank PLC is secured by the following:

1. First Pari-passu charge by way of hypothecation of stock, Receivables and other current assets (both present & future) of the company.
2. Second pari-passu charge on the fixed assets of the company.
3. First pari-passu charge on the commercial lands at village Lunva and maassat.
4. First pari passu charge on residential premises at Mumbai
5. Personal guarantee of the Chairman & Managing Director of the company.

### 3. Deferred Tax Liability:

Components of Deferred Tax Liability as per AS-22, "Accounting for Taxes on Income" is as under:

(Rs. in Lac)

Particulars	As at 31st March 2009	Charge/credit for the period	As at 31st March, 2010
(a) Deferred Tax Liability	3473.64	–	3473.64
(b) Deferred Tax Assets	–	273.50	273.50
Net Deferred Tax Liability (a – b)	3473.64	273.50	3200.14

### 4. Managerial remuneration comprises of payment to:

Executive chairman – Salary including other benefits Rs. 2,50,000/- (P.Y.4,80,000/-)

Managing Directors – Salary including other benefits Rs. 90,000/- (P.Y.4,80,000/-)

5. None of the creditors have informed us as to their status of being micro, small and medium enterprise as per Micro, small and medium enterprises development Act, 2006.
6. Balances of Sundry Debtors, sundry creditors, Advances and Deposits are subject to confirmation, reconciliation and adjustments if any.

### 8. Segment Reporting:

The company has two primary reporting segments i.e. "Coke" and "Refractory Unit."

(Rs.in Lacs)

Sr.No.	Particulars	Revenue	Profit before Tax & Interest	Capital Employed
1.	Coal /Coke	27024.27	2052.36	50698.60
2.	Refractory	137.21	(227.95)	979.92

### 9. Related Party Disclosures:

#### A. Key Management personnel of the company

Key Management Personnel	Nature of Relationship
Mr. Ratanlal Tamakhuwala	Chairman
Mr. Rishi Raj Agarwal	Promoter
Mr. Bimal Kumar Goenka	Managing Director
Mr. M. M. Damani	Executive Director

#### B. Enterprises under the control of Key Managerial Personnel

Sancia Global Infraprojects Limited

Newsaw Infraprojects Limited

Anarcon Resources Private Limited

Shri Hanuman Investment Private Limited

Sancia Infraglobal Private Limited

Wallford IndiaInfrastructure Reality Private Limited

## C. Subsidiary

- 1) Astra Mining Limitada
- 2) Global Astra Pte Ltd.

Following transaction were carried out in the ordinary course of business with the parties referred to above:

(Rs. in lacs)

Particulars	Enterprise of which the Company is an associate	Key management personnel	Enterprise in which key management personnel has significant influence
Purchase(coal)	–	–	1988.64
Corporate Guarantees outstanding as at the year end	–	–	46403.00

## 10. Earnings per Share (EPS):

(Rs. in lacs)

Particulars	31.03.10	31.03.09
Profit After Tax (Numerator) (Rs.)	(4,63.18)	4,525.40
Weighted Average Number of Equity shares	29,02,96,040	2,48,62,937
Earning/(Loss) Per Share - Basic (Rs.)	(0.16)	18.20
Nominal value per share	1	10

## 11. Impairment of Assets

The company assesses at each balance sheet date whether there is any indication that an assets may be impaired. If any such indication exists, the company estimates the recoverable amount of the assets. If such recoverable amount of the assets or the recoverable amount of the cash generating unit to which the asset belong is less than its carrying amount, the carrying amount is reduced to its recoverable amount. If at the balance sheet date there is an indication that if 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 depreciated historical cost.

## 12. Auditors' Remuneration includes

(Rs. in lacs)

	PARTICULARS	2009-10	2008-09
a)	Audit Fees	0.60	0.39
b)	Tax Audit and Certification fees	0.50	0.38
	<b>Total</b>	<b>1.10</b>	<b>0.77</b>

13. Additional information pursuant to provisions of Part II of Schedule VI to the Companies Act, 1956 to the extent applicable to the company:

## (a) Particulars of Capacity and Production

Description	Units	Installed Capacity		Actual Production	
		2009-10	2008-09	2009-10	2008-09
Low-Ash Metallurgical Coke	M.T.	3,75,000	3,75,000	1,44,488.60	1,71,050.11

**GREENEARTH RESOURCES & PROJECTS LIMITED**

**(b) Particulars of Stocks and Sales**

(Amount in Rs.)

Description	Units	Stocks				Sales	
		Opening		Closing		2009-10	2008-09
		2009-10	2008-09	2009-10	2008-09		
LAMC	M.T. (Rs.)	18,801 221,421,411	22,214 23,24,18,691	24,980 44,52,32,069	18,801 22,14,21,411	1,38,309 2,31,80,62,049	1,74,463 4,34,39,86,244
Coal	M.T. (Rs.)	66,604 54,61,77,996	25,385 34,36,72,379	20,679 23,83,14,091	66,604 54,61,77,996	29,681 38,43,65,065	2,653 4,74,93,712
Coal in Process	M.T. (Rs.)	1,296 1,01,08,800	744 81,47,730	1,796 1,42,75,091	1,296 1,01,08,800	- -	- -
<b>TOTAL</b>	<b>(Rs.)</b>	<b>77,77,08,207</b>	<b>58,42,38,800</b>	<b>69,78,21,251</b>	<b>77,77,08,207</b>	<b>2,70,24,27,114</b>	<b>4,39,14,79,957</b>

**(c) Particulars of Raw Material consumed**

(Amount in Rs.)

Description	2009-10		2008-09	
	Quantity	Value	Quantity	Value
	M.T.	(Rs.)	M.T.	(Rs.)
Raw Coal	1,68,010	2,200,285,534	2,19,669	2,889,236,688

**(d) Other Additional Information**

- i) CIF Value of Imports: Raw Materials: Coal

(Amount in Rs.)

Description	2009-10	2008-09
Raw Materials	57,76,23,100	29,73,43,959

- ii) Value of Imported / Indigenous raw materials consumed

(Amount in Rs.)

Raw Materials	Current Year		Previous Year	
	Rupees	%	Rupees	%
Imported	57,76,23,100	30.52	297,343,959	9.62
Indigenous	1,314,798,529	69.48	2,794,398,346	90.38
<b>TOTAL</b>	<b>1,892,421,629</b>	<b>100.00</b>	<b>3,091,742,305</b>	<b>100.00</b>

14. Previous year's figures have been re-grouped, re-classified and rearranged wherever necessary.

As Per our Report of even date attached  
For T.N.Datta & Associates  
(Chartered Accountants)

Sd-

**T.N. Datta**  
Proprietor  
Membership No.056676

Place : Kolkata  
Date : 05.09.10

For and on behalf of the Board

Sd/-

**Bimal Kumar Goenka**  
Managing Director

Sd/-

**M. M. Damani**  
Executive Director

## SCHEDULE : 18

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

## I. Registration Details :

Registration No.	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="0"/> <input type="text" value="6"/> <input type="text" value="3"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="8"/>	State Code	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="0"/> <input type="text" value="2"/> <input type="text" value="1"/>
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## II. Capital Raised during the year (Rs. In Lacs)

Public Issue	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="0"/> <input type="text" value="0"/>	Right Issue	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="0"/> <input type="text" value="0"/>
Bonus Issue	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="0"/> <input type="text" value="0"/>	Private Placement	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="0"/> <input type="text" value="0"/>

## III. Position of Mobilisation and Development of Funds (Rs. In Lacs)

Total Liabilities	<input type="text" value="5"/> <input type="text" value="6"/> <input type="text" value="2"/> <input type="text" value="6"/> <input type="text" value="0"/> <input type="text" value="7"/> <input type="text" value="2"/>	Total Assets	<input type="text" value="5"/> <input type="text" value="6"/> <input type="text" value="2"/> <input type="text" value="6"/> <input type="text" value="0"/> <input type="text" value="7"/> <input type="text" value="2"/>
Sources of Funds		Application of Funds	
Paid up capital	<input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="9"/> <input type="text" value="0"/> <input type="text" value="2"/> <input type="text" value="9"/> <input type="text" value="6"/>	Net Fixed Assets	<input type="text" value="2"/> <input type="text" value="8"/> <input type="text" value="2"/> <input type="text" value="5"/> <input type="text" value="9"/> <input type="text" value="3"/> <input type="text" value="0"/>
Reserve & Surplus	<input type="text" value="3"/> <input type="text" value="8"/> <input type="text" value="8"/> <input type="text" value="7"/> <input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="9"/>	Investment	<input type="text" value=""/> <input type="text" value="7"/> <input type="text" value="4"/> <input type="text" value="1"/> <input type="text" value="4"/> <input type="text" value="5"/> <input type="text" value="5"/>
Secured Loan	<input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="2"/> <input type="text" value="5"/> <input type="text" value="3"/> <input type="text" value="3"/>	Net Current Assets	<input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="6"/> <input type="text" value="3"/> <input type="text" value="4"/> <input type="text" value="8"/> <input type="text" value="3"/>
Unsecured Loan	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="6"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/>	Misc. Expenditure	<input type="text" value=""/> <input type="text" value="9"/> <input type="text" value="5"/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="4"/>
Deferred Tax Liability	<input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="1"/> <input type="text" value="4"/>		

## IV. Performance of Company (Rs. In Lacs)

Turnover /Total Revenue	<input type="text" value="2"/> <input type="text" value="6"/> <input type="text" value="7"/> <input type="text" value="3"/> <input type="text" value="5"/> <input type="text" value="7"/> <input type="text" value="5"/>	Total Expenditure	<input type="text" value="2"/> <input type="text" value="7"/> <input type="text" value="4"/> <input type="text" value="7"/> <input type="text" value="2"/> <input type="text" value="4"/> <input type="text" value="3"/>
Profit before Tax	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="7"/> <input type="text" value="3"/> <input type="text" value="6"/> <input type="text" value="6"/> <input type="text" value="9"/>	Profit After Tax	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="4"/> <input type="text" value="6"/> <input type="text" value="3"/> <input type="text" value="1"/> <input type="text" value="8"/>
Earning per Share	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="0"/> <input type="text" value="1"/> <input type="text" value="6"/>	Dividend Rate %	<input type="text" value=""/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/>

## V. Generic Names of Three Principal Products/ Services of the company

(as per monetary terms)

Product Description :	<input type="text" value="Coal, Coke &amp; Refractories"/>
Item Code (ITC code) :	<input type="text" value="2704 0030"/>
Service Description :	<input type="text" value="—"/>

As Per our Report of even date attached  
For T.N.Datta & Associates  
(Chartered Accountants)

Sd/-

**T.N. Datta**  
Proprietor  
Membership No.056676

Place : Kolkata  
Date : 05.09.10

For and on behalf of the Board

Sd/-

**Bimal Kumar Goenka**  
Managing Director

Sd/-

**M. M. Damani**  
Executive Director

## **CONSOLIDATED ACCOUNTS**

### **AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS OF GREENEARTH RESOURCES & PROJECTS LIMITED AND ITS SUBSIDIARY**

To,  
The Board of Directors of M/s Greearth Resources & Projects Ltd.  
Kolkata

We have examined the attached Consolidated Balance Sheet of Greearth Resources & Projects Ltd. and its subsidiaries as at 31st March, 2010. The Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement for the year ended on that date, annexed thereto in which are incorporated the accounts of the subsidiary, audited by other auditor. These financial statements are the responsibility of the company management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conduct our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of the subsidiaries for the year ended on 31st December, 2009. These financial statements have been audited by other auditors. The accounts of its Overseas subsidiaries i.e. "Global Astra Pte. Ltd" & "Astra Mining LDA" has been consolidated on the basis of Unaudited financial statements for the period ended 31st March, 2010.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (AS-21) on Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.

On the basis of the information and explanations given to us we are of the opinion that the said consolidated financial statements read together with Independent Auditors' Report, significant Accounting Policies and notes to Accounts forming part thereof, give a true and fair view in conformity with the accounting principles generally accepted, except as otherwise stated;

- a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company and its subsidiaries as at 31st March 2010;
- b) in the case of the Consolidated Profit and Loss Account, of the consolidated results of operations of the Company and its subsidiaries for the year ended on that date; and
- c) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the Company and its subsidiaries for the year ended on that date.

For **T.N. Datta & Associates**  
(Chartered Accountants)

Sd-

**T.N. Datta**  
Proprietor  
Membership No. 056676

Place : Kolkata  
Date : 05.09.2010

**CONSOLIDATED BALANCE SHEET AS AT 31.03.2010**

<b>PARTICULARS</b>	<b>Schedule</b>	<b>31.03.2010 (Rs.)</b>	<b>31.03.2009 (Rs.)</b>
<b>SHAREHOLDERS' FUND :</b>			
Share Capital	1	290,296,040	1,644,455,452
Reserves & Surplus	2	5,117,833,850	3,941,020,932
Deferred Tax Liability		320,013,786	347,363,860
<b>LOAN FUNDS</b>			
Secured Loans	3	1,102,533,424	1,024,140,319
Unsecured Loans		26,000,000	26,000,000
<b>Minority Interest</b>		<b>70,236,494</b>	369,933
		<b>6,926,913,593</b>	<b>6,983,350,495</b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>	4	<b>4,575,973,162</b>	4,496,053,754
<b>INVESTMENTS</b>	5	<b>18,839,775</b>	38,943,000
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Sundry Debtors	6	2,804,820,584	1,515,692,791
Inventories	7	716,100,392	792,796,701
Cash/Bank Balances	8	450,337,684	508,482,221
Loans & Advances	9	1,973,643,271	2,938,543,508
		<b>5,944,901,930</b>	5,755,515,220
<b>LESS : CURRENT LIABILITIES &amp; PROVISIONS</b>	10	<b>3,708,005,655</b>	3,403,240,894
Net Current Assets		<b>2,236,896,275</b>	2,352,274,327
Miscellaneous Expenditure	11	95,204,381	96,079,414
		<b>6,926,913,593</b>	<b>6,983,350,495</b>
Significant Accounting Policies	16		
Notes to Accounts	17		

As Per our Report of even date attached  
For T.N.Datta & Associates  
(Chartered Accountants)

Sd/-

**T.N. Datta**  
Proprietor  
Membership No.056676

Place : Kolkata  
Date : 05.09.10

For and on behalf of the Board

Sd/-

**Bimal Kumar Goenka**  
Managing Director

Sd/-

**M. M. Damani**  
Executive Director

**GREENEARTH RESOURCES & PROJECTS LIMITED**

**CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31.03.2010**

<b>PARTICULARS</b>	<b>Schedule</b>	<b>31.03.2010 (Rs.)</b>	<b>31.03.2009 (Rs.)</b>
<b>INCOME</b>			
Sales		<b>2,716,148,662</b>	4,414,927,935
Other Income	12	<b>34,122,197</b>	39,511,195
Increase / (Decrease) in Stocks		<b>(76,696,309)</b>	202,776,698
<b>TOTAL</b>		<b>2,673,574,551</b>	<b>4,657,215,828</b>
<b>EXPENDITURE</b>			
Purchase		<b>1,899,435,095</b>	3,104,989,976
Manufacturing Expenses	13	<b>153,632,681</b>	158,616,267
Selling, General & Administrative Expenses	14	<b>179,654,192</b>	59,129,381
Financial Expenses	15	<b>253,600,967</b>	300,729,472
Preliminary Exp. w/off		<b>875,033</b>	875,033
<b>TOTAL</b>		<b>2,487,197,967</b>	<b>3,624,340,129</b>
Profit before Depreciation		<b>186,376,584</b>	1,032,875,699
Depreciation	4	<b>260,715,661</b>	339,470,321
Profit before Taxation		<b>(74,339,077)</b>	<b>693,405,378</b>
Provision for taxation		–	78,575,333
Deferred Tax Assets /(Liabilities)		<b>27,350,073</b>	162,088,200
Fringe Benefit Tax		–	313,178
Profit after Taxation and Depreciation		<b>(46,989,004)</b>	<b>452,428,667</b>
Profit brought forward from previous year		<b>887,642,174</b>	469,176,691
		<b>840,653,170</b>	921,605,358
Proposed Dividend / Dividend Paid		–	29,029,604
Tax on Proposed Dividend / Dividend Paid		–	4,933,581
		<b>840,653,170</b>	<b>887,642,173</b>

As Per our Report of even date attached  
For T.N.Datta & Associates  
(Chartered Accountants)

Sd-

**T.N. Datta**  
Proprietor  
Membership No.056676

Place : Kolkata  
Date : 05.09.10

For and on behalf of the Board

Sd/-

**Bimal Kumar Goenka**  
Managing Director

Sd/-

**M. M. Damani**  
Executive Director



**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010**

PARTICULARS	31.03.2010 Rupees	31.03.2009 Rupees
<b>A. CASH FROM OPERATING ACTIVITIES</b>		
Net Profit before extraordinary items and Tax	(74,339,079)	693,405,378
<b>Adjustment for:</b>		
Depreciation	260,715,663	339,470,321
Preliminary Expenses written off	875,033	875,033
Interest debited to Profit and loss account	253,548,939	110,698,858
Other Non Operating (incomes)/ Expenses	(394,019)	(2,460,727)
Profit on sale of Assets(Net)	(14,458,885)	-
Interest Credit to Profit and Loss Account	(19,269,294)	(36,983,355)
Foreign Currency Translation Reserve	132,335,742	(13,285)
<b>Operating Profit Before Working Capital Changes</b>	<b>539,014,101</b>	<b>1,104,992,223</b>
<b>Adjustment for:</b>		
(Increase)/Decrease in Trade and other Receivables	(1,289,127,793)	(625,268,323)
(Increase)/Decrease in Inventories	76,696,309	(202,153,088)
(Increase)/Decrease in other Current Assets	660,061,737	(2,679,388,802)
Increase/(Decrease) Current Liabilities and Provisions	574,772,837	2,580,357,122
<b>Cash Generated From Other Operations</b>	<b>561,417,192</b>	<b>178,539,132</b>
LESS: Income Tax Paid	-	81,395,782
<b>Cash Flow Before Extraordinary Items</b>	<b>561,417,192</b>	<b>97,143,350</b>
Extraordinary Items	-	1,927,177
<b>Net Cash From Operating Activities</b>	<b>(A) 561,417,192</b>	<b>99,070,527</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed asset	(340,635,072)	(2,441,573,215)
Investment Purchased	(10,196,775)	(747,615,680)
Investment Sold	30,300,000	2,229
Preliminary Expenses Incurred	-	(83,781,690)
<b>Net Cash Used in Investing activities</b>	<b>(B) (320,531,846)</b>	<b>(3,272,968,356)</b>
<b>C. CASH FROM FINANCING ACTIVITY</b>		
Proceeds From Issue of Equity Shares	69,866,561	830,582,455
Security Premium	1,126,296,602	1,860,000,000
Share Application Pending Allotment	(1,354,159,412)	1,354,159,412
Proceeds from Borrowings	78,393,105	(575,252,099)
Interest/Dividend received	19,663,312	37,516,905
Interest paid	(239,090,051)	(110,698,858)
Dividend paid and tax thereon	-	(53,962,363)
<b>Net Cash Used in Financing Activities</b>	<b>(C) (299,029,883)</b>	<b>3,342,345,452</b>
<b>Net Increase in Cash and Cash Equivalents (A)+(B)+(C)</b>	<b>(58,144,537)</b>	<b>168,447,623</b>
<b>Cash &amp; Cash Equivalents (Opening Balance)</b>	<b>508,482,221</b>	<b>340,034,599</b>
<b>Cash &amp; Cash Equivalents (Closing Balance)</b>	<b>450,337,684</b>	<b>508,482,221</b>

As Per our Report of even date attached  
For T.N.Datta & Associates  
(Chartered Accountants)

Sd/-

**T.N. Datta**  
Proprietor  
Membership No.056676

Place : Kolkata  
Date : 05.09.10

For and on behalf of the Board

Sd/-

**Bimal Kumar Goenka**  
Managing Director

Sd/-

**M. M. Damani**  
Executive Director

**GREENEARTH RESOURCES & PROJECTS LIMITED**

**SCHEDULES ANNEXED TO AND FORMING PART OF CONSOLIDATED BALANCE SHEET**

PARTICULARS	31.03.2010 (Rs.)	31.03.2009 (Rs.)
-------------	---------------------	---------------------

**SCHEDULE - 1**

**SHARE CAPITAL**

**AUTHORISED**

5,00,00,000 Equity Shares (P.Y. :5,00,00,000) of Rs.10/- each	500,000,000	500,000,000
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**Issued, Subscribed & Paid-up**

2,90,29,604 Equity Shares of Rs.10/- each fully paid in cash ( Previous Year : 2,90,29,604)	290,296,040	290,296,040
Share Application Money	-	1,354,159,412
	<b>290,296,040</b>	<b>1,644,455,452</b>

**SCHEDULE - 2**

**RESERVE & SURPLUS**

Capital Reserve on consolidation	7,596,842	7,596,842
Foreign Currency Translation Reserve	97,492,035	(13,285)
Surplus as per Profit & Loss Account	840,653,170	887,642,173
Share Premium Account	4,173,129,952	3,046,833,350
Less: Deferred Tax Liability	(1,038,149)	(1,038,149)
	<b>5,117,833,850</b>	<b>3,941,020,932</b>

**SCHEDULE - 3**

**SECURED LOANS**

Term Loan	541,823,225	682,495,247
From Banks (working capital facilities)	560,710,199	341,645,072
	<b>1,102,533,424</b>	<b>1,024,140,319</b>

**SCHEDULE - 4**

**FIXED ASSETS**

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	AS ON 31.03.2009	ADDITIONS	AS ON 31.03.2010	UPTO 31.03.2009	FOR 2009-10	UPTO 31.03.2010	AS ON 31.03.2010	AS ON 31.03.2009
<b>Intangible Assets</b>								
Mining Licenses	1,743,973,420	-	1,743,973,420	-	-	-	1,743,973,420	1,743,973,420
<b>Tangible Assets</b>								
Land	41,980,624	2,409,925	44,390,549	-	-	-	44,390,549	41,980,624
Building	66,692,090	-	66,692,090	13,329,317	5,336,277	18,665,594	48,026,496	53,362,773
Earthmoving Equipments	76,397,940	-	76,397,940	71,396,153	1,500,536	72,896,689	3,501,251	5,001,787
Plant & Machinery	2,921,473,601	2,085,574	2,923,559,175	608,021,096	252,683,995	860,705,091	2,062,854,084	2,313,452,505
Office Equipments	322,807	-	322,807	311,441	4,546	315,987	6,820	11,366
Computers	2,026,340	-	2,026,340	1,567,529	164,584	1,732,113	294,227	458,811
Furniture And Fixtures	5,656,284	-	5,656,284	3,478,902	394,107	3,873,009	1,783,275	2,177,382
Vehicles	6,428,551	-	6,428,551	2,113,601	631,616	2,745,217	3,683,334	4,314,950
Capital W.I.P.	331,320,133	336,139,573	667,459,706	-	-	-	667,459,706	331,320,133
<b>TOTAL</b>	<b>5,196,271,790</b>	<b>340,635,072</b>	<b>5,536,906,862</b>	<b>700,218,039</b>	<b>260,715,661</b>	<b>960,933,700</b>	<b>4,575,973,162</b>	<b>4,496,053,754</b>
Previous Year	2,754,698,575	2,441,573,215	5,196,271,790	360,747,718	339,470,321	700,218,039	4,496,053,754	2,393,950,856

**SCHEDULES ANNEXED TO AND FORMING PART OF CONSOLIDATED BALANCE SHEET**

PARTICULARS	31.03.2010 (Rs.)	31.03.2009 (Rs.)
<b>SCHEDULE - 5</b>		
<b>INVESTMENTS</b>		
a) Quoted - At Cost (5,30,000 Equity shares of Sancia Global Infraprojects Ltd.) (Market Value : Rs. 24.10 Per share)	-	5,300,000
b) Quoted - At Cost (2,50,000 units of JM Basic Fund) (Market Value : Rs. 18.19 Per Unit)	2,500,000	2,500,000
c) Quoted - At Cost (50,000 units of SBI Capital Protection Oriented Fund) (Market Value : Rs. 10.56 Per Unit)	500,000	500,000
d) Unquoted - At Cost (64,300 Equity shares of M/s Industrial Lamcoke Projects Ltd.)	643,000	643,000
e) Quoted - At Cost (5,00,000 Units o UTI Infrastructure Advantage Fund Series-I Fund ) (Market Value : Rs. 9.20 Per Unit )	5,000,000	5,000,000
f) Quoted - At Cost (25,057.538 Units of UTI Treasury Advantage Fund Institutional Plan (Dividend Option) Reinvestment (Market Value : Rs.1,027.66 Per Unit )	-	25,000,000
g) IDFC Money Manager Fund	10,196,775	-
	<u>18,839,775</u>	<u>38,943,000</u>

**SCHEDULE - 6****SUNDRY DEBTORS**

(Unsecured, considered good)

Debts due for period more than 6 months	-	96,639,186
Other Debts	2,804,820,584	1,419,053,605
	<u>2,804,820,584</u>	<u>1,515,692,791</u>

**SCHEDULE - 7****INVENTORIES**

Raw Materials	239,025,058	550,584,696
Stock in Process	14,526,947	11,164,691
Finished Goods	461,615,263	230,114,190
Stores, spares & consumables	933,124	933,124
	<u>716,100,392</u>	<u>792,796,701</u>

**GREENEARTH RESOURCES & PROJECTS LIMITED****SCHEDULES ANNEXED TO AND FORMING PART OF CONSOLIDATED BALANCE SHEET**

<b>PARTICULARS</b>	<b>31.03.2010 (Rs.)</b>	<b>31.03.2009 (Rs.)</b>
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**SCHEDULE - 8****CASH & BANK BALANCES**

Cash in hand (As Certified by the management)	<b>4,726,526</b>	1,244,924
Balance with schedule Banks (In Current Account)	<b>64,225,432</b>	169,262,635
Balance with schedule Banks (In F.D. & Margin Money A/c)	<b>380,364,407</b>	290,528,253
Balance with Bank outside India	<b>1,021,318</b>	47,446,409
	<b>450,337,684</b>	<b>508,482,221</b>

**SCHEDULE - 9****LOANS & ADVANCES**

Advance Recoverable in cash or in kind for value to be received	<b>675,054,131</b>	495,069,490
Advances towards capital goods	<b>761,193,497</b>	761,193,497
Loans & Advances	<b>470,660,045</b>	1,631,101,198
Sundry Deposits	<b>11,621,318</b>	13,717,846
Advance Tax (Incl.Tax Deducted at Source)	<b>55,114,280</b>	37,461,477
	<b>1,973,643,271</b>	<b>2,938,543,508</b>

**SCHEDULE- 10****CURRENT LIABILITIES & PROVISIONS****CURRENT LIABILITIES**

Sundry Creditors	<b>1,493,589,191</b>	1,936,744,526
Sundry Creditors (Capital)	<b>591,148,620</b>	591,463,383
Loans & Advances	<b>1,396,149,618</b>	700,523,276
Unpaid/Unclaimed Dividend	<b>33,809</b>	2,264,507

**PROVISIONS**

Outstanding Liability	<b>128,740,846</b>	73,901,739
Provisions for taxation	<b>98,343,572</b>	98,030,285
Fringe Benefit Tax	<b>-</b>	313,178
	<b>3,708,005,655</b>	<b>3,403,240,894</b>

**SCHEDULE - 11****MISCELLANEOUS EXPENDITURE**

Preliminary Expenses	<b>96,079,414</b>	96,954,447
Less : Written off during the year	<b>875,033</b>	875,033
	<b>95,204,381</b>	<b>96,079,414</b>

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**SCHEDULES ANNEXED TO AND FORMING PART OF CONSOLIDATED PROFIT & LOSS ACCOUNT**


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PARTICULARS	31.03.2010 (Rs.)	31.03.2009 (Rs.)
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**SCHEDULE - 12****Other Income**

Dividend Income	167,924	533,550
Other Miscellaneous Income	226,095	1,927,177
Interest on Bank Fixed Deposits/Investments	19,269,294	37,050,468
Profit on sale of Securities	14,458,885	-
	<u>34,122,197</u>	<u>39,511,195</u>

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**SCHEDULE - 13****Manufacturing Expenses**

Stores Consumed	10,236,904	15,749,329
Power & Fuel & Water Charges	11,048,784	22,948,209
Repairs & Maintenance Exp	6,940,824	5,234,423
Labour Transportation & Port Charges	124,917,423	113,805,600
Vehicle Operation & Maintenance Expenses	488,745	878,706
	<u>153,632,681</u>	<u>158,616,267</u>

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**SCHEDULE - 14****Selling, General & Administrative Expenses**

Salary & Wages	17,688,386	26,292,565
Travelling & Conveyance Expenses	2,166,446	4,155,486
Printing & Stationery	1,271,155	416,919
General Expenses	2,342,159	1,086,671
Electricity Expenses	511,459	673,878
Advertisement & Sales Promotion Expenses	552,761	1,274,598
Staff Welfare Expenses	355,199	1,046,582
Postage & Courier Expenses	891,546	193,294
Rent, Rates & Taxes	2,764,520	1,525,324
Telecommunication Charges	264,778	1,246,869
Repairs to Others	24,620	1,211,684
Directors Remuneration	-	960,000
Legal & Professional Charges	28,095,356	14,211,693
Bad Debts Written-off	118,341,087	-
Audit Fees	207,400	142,250
Transportation, Port & Insurance Charges	4,018,998	2,402,543
Directors Sitting Fees	15,000	406,000
Computer Expenses	143,322	51,974
Miscellaneous Expenses	-	1,831,051
	<u>179,654,192</u>	<u>59,129,381</u>

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**SCHEDULE - 15****Finance Charges**

Interest on cash credit	63,180,187	30,898,140
Interest on Term Loan	82,139,374	79,800,718
Bank & Finance Charges	108,281,406	190,030,614
	<u>253,600,967</u>	<u>300,729,472</u>

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**SCHEDULE ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010 AND CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE**

**SCHEDULE - 16**

**SIGNIFICANT ACCOUNTING POLICIES**

**1. Basis of Consolidation**

- (a) The consolidated financial statements relate to Greenearth Resources & Projects Ltd. and its subsidiaries Global Astra Pte. Ltd. Singapore and Astra Mining Lda, Mozambique.
- (b) The consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 issued by Institute of Chartered Accountants of India:
  - i) The financial statements of the Company and its subsidiary have been combined on a line to line basis by adding together like items of assets, liabilities, income and expenses.
  - ii) Intergroup balances, intergroup transactions and resulting unrealized profits /losses have been eliminated in full.
  - iii) A Minority Interest of 15.93% arises during the course of Consolidation in case of Global Astra Pte. Ltd. Amounting to Rs.698.67 Lacs
  - iv) Figures pertaining to the subsidiary have been reclassified to bring them in line with parent Company's financial statements.
  - v) In consonance with AS 21 and generally accepted reporting norms an unaudited financial statement of its subsidiary Global Astra Pte Ltd.Singapore & Astra Mining Lda, Mozambique for the year ended 31st March 2010 has been consolidated with the holding company. This consolidation has been carried out after taking into account, effects of all significant transaction and other events that occurred between the date of an audited Balance Sheet as at 31st December 2009 and the date of consolidation i.e. 31st March 2010.

**2. Basis of preparation of financial statements:**

- (a) The financial statements are prepared in accordance with Generally Accepted Accounting Principles (Indian GAAP) under the historical cost convention on accrual basis and on principles of going concern. The accounting policies are consistently applied by the Company except where otherwise stated.
- (b) The financial statements are prepared to comply in all material respects with the accounting standards notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.
- (c) The preparation of the financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known / materialized.
- (d) During the year financial statements has been prepared on the basis of bank statements, residuary information's and on the basis of management representations due to the loss of financial and other records while shifting of office documents and furniture from Corporate office ( Mumbai) to Registered office (Kolkata).

**3. Fixed Assets:**

Fixed Assets are stated at cost less accumulated depreciation and impairment loss, if any. The cost of an asset comprises of purchase price and any directly attributable cost of bringing the assets to its present condition for intended use

Depreciation on the fixed assets has been provided on written down value method at the rates prescribed and in the manner specified in Schedule XIV to the Companies Act, 1956.

**4. Investments:**

Investments are classified as current and long term investments. Current investments are stated at lower of cost or market value. Long term investments are stated at cost.

**5. Foreign Currency Transactions:**

- (a) Initial Recognition – Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.
- (b) Conversion – Foreign currency monetary items are reported using the closing rate. Non-monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate on the date of transaction.
- (c) Exchange differences - Exchange differences arising as a result of translation has been accumulated as "Foreign Currency Translation Reserve".

**6. Inventories :**

Inventories are measured at lower of cost or net realizable value. Stores and Spares parts valued as cost.

**7. Revenue Recognition:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Sale of goods - Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales revenue is net of sales return, discounts and rebates.

Interest -Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividends - Revenue is recognized as and when received.

**8. Employees' Retirement Benefits:**

Contribution to Provident Fund is accounted when accrued. The company have the policy of encashing unutilized leave however there is no unutilized leave at the end of the year.

**9. Borrowing Cost :**

Interest and other borrowing cost on specific borrowings, relating to qualifying assets are capitalised as part of the cost of such assets upto the date when such asset is ready for its intended use. All other borrowing cost is charged to the profit and Loss Account.

**10. Earnings per Share:**

The basic earnings per share are calculated by dividing the profit after Tax for the period attributable to equity shareholders by the weighted average number of Equity Shares.

**11. Taxes on Income:**

Tax expense comprises of current tax, deferred tax and fringe benefit tax.

- (a) Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities, computed in accordance with the applicable tax rates and tax laws.
- (b) Deferred Tax arising on account of "timing differences" and which are capable of reversal in one or more subsequent periods is recognised, using the tax rates and tax laws that are enacted or substantively enacted. Deferred tax asset is recognised only to the extent there is reasonable certainty with respect to reversal of the same in future years as a matter of prudence.

**12. Provisions, Contingent Liabilities and Contingent Assets:**

- (a) A provision is recognised when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.
- (b) Contingent Liabilities are not provided for in the accounts and are shown separately in the Notes on Account.

**13. Miscellaneous Expenditure:**

Miscellaneous expenditure is written off to the profit and loss account over a period of up to five years, depending upon the nature and expected future benefits of such expenditure. The management reviews the amortization period on a regular basis and if expected future benefits from such expenditure are significantly lower or higher from previous estimates, the amortization period is accordingly change.

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**SCHEDULE - 17**

**NOTES TO ACCOUNTS**

**1. Contingent Liabilities:**

- 1) Corporate Guarantee given on behalf of associate/group companies as on Balance Sheet date aggregating to Rs. 46,403 Lacs
- 2) Bank Guarantee issued by bankers and outstanding as on Balance Sheet date is Rs.71.15 Lacs
- 3) During the year search and seizure under section 132 of the income tax act 1961 have been conducted by income tax department as on 23rd June, 2009. However directors of the company do not anticipate any major income tax demand.

**2. Secured Loans:**

**Term Loan**

- a) Term Loan I, II & III from State Bank of India is secured by the following :-
  - 1. First charge on entire assets created out of bank finance (Refractory and coke manufacturing units at village Lunva, Gujarat) and entire current assets of the company, present and future.
  - 2. Second Pari-passu charge on entire fixed assets of the company.
  - 3. First pari-passu charge alongwith the SB Indore over commercial land at Bachhau, Village Lunva, Gujarat.
  - 4. First charge on the commercial land at village lunva, commercial land at Silvassa, residential premises at Goregaon (Mumbai), office premises at Andheri (w) Mumbai.
  - 5. Personal guarantee of the Chairman & Managing Director of the company.
- b) Term Loan from Bank of India is secured by the following:-
  - 1. Ist Pari Passu Charge on Land at village Lunva, Gujarat.
  - 2. Ist Pari Passu Charge on movable plant & machinery, furniture & fixture etc.created out of the bank finance on factory land and building, Pari- passu with State Bank of Indore.

**Working Capital & Letter of Credit**

Working Capital & Letter of Credit facility from State Bank of Indore is secured by the following:-

- 1. Primarily secured by hypothecation of entire stocks of raw materials, stocks-in-process, finished goods and stores & spares, book-debts and goods-in-transit covered by documents of title thereto on First pari passu basis with other working capital lenders.



2. Collaterally secured by second pari passu charge on entire fixed assets of the company, and first pari passu charge over commercial land at village Lunva Gujarat.
3. Personal guarantee of the Chairman & Managing Director of the company.

**Working Capital & Letter of Credit facility from State Bank of India is secured by the following:-**

1. Entire current assets of the company, present and future.
2. Second Pari-passu charge on entire fixed assets of the company.
3. First pari-passu charge alongwith the SB Indore over commercial land at Bachhau, Village Lunva, Gujarat.
4. First charge on the commercial land at village lunva, commercial land at Silvassa, residential premises at Goregaon (Mumbai), office premises at Andheri (w) Mumbai
5. Personal guarantee of the Chairman & Managing Director of the company.

**Working Capital & Letter of Credit facility from Bank of India is secured by the following :-**

1. Ist Pari-passu charge on the current assets of the company with working capital lenders.
2. Pledge of term deposit receipts.
3. Collaterally secured by 2nd Pari Passu charge on entire movable plant and machinery of the company.
4. Collaterally secured by 2nd pari passu charge by way of EQM of specified commercial lands at village Lunva & Maassat in Dadra & Nagar Haveli, Residential & Commercial premises at Mumbai.
5. Personal guarantee of the Chairman & Managing Director of the company.

**Working Capital & Letter of Credit facility from IDBI Bank is secured by the following:-**

1. Primarily secured by first pari passu charge on the entire current assets of the company.
2. Collaterally secured by second pari passu charge on entire fixed assets.
3. Personal guarantee of the Chairman & Managing Director of the company.

**Letter of Credit facility from Barclays Bank PLC is secured by the following:-**

1. First Pari-passu charge by way of hypothecation of stock, Receivables and other current assets (both present & future) of the company.
2. Second pari-passu charge on the fixed assets of the company.
3. First pari-passu charge on the commercial lands at village Lunva and maassat.
4. First pari passu charge on residential premises at Mumbai
5. Personal guarantee of the Chairman & Managing Director of the company.

**3. Deferred Tax Liability:**

Components of Deferred Tax Liability as per AS-22, "Accounting for Taxes on Income" is as under:

(Rs. in Lac)

Particulars	As at 31st March, 2009	Charge/credit for the period	As at 31st March, 2010
(a) Deferred Tax Liability	3473.64	–	3473.64
(b) Deferred Tax Assets	–	273.50	273.50
<b>Net Deferred Tax Liability (a – b)</b>	<b>3473.64</b>	<b>273.50</b>	<b>3200.14</b>

## GREENEARTH RESOURCES & PROJECTS LIMITED

### 4. Managerial remuneration comprises of payment to:

Executive chairman – Salary including other benefits Rs. 2,50,000/- (P.Y. 4,80,000/-)

Managing Directors – Salary including other benefits Rs. 90,000/- (P.Y. 4,80,000/-)

5. None of the creditors have informed us as to their status of being micro, small and medium enterprise as per Micro, small and medium enterprises development Act, 2006.
6. Balances of Sundry Debtors, sundry creditors, Advances and Deposits are subject to confirmation, reconciliation and adjustment if any.

### 7. Segment Reporting:

The company has two primary reporting segments i.e. "Coke" and "Refractory Unit."

(Rs.in Lacs)

Sr.No.	Particulars	Revenue	Profit before Tax & Interest	Capital Employed
1.	Coal /Coke	27024.27	2052.36	50698.60
2.	Refractory	137.21	(227.95)	979.92

### 8. Related Party Disclosures:

#### A. Key Management personnel of the company

Key Management Personnel	Nature of Relationship
Mr. Ratanlal Tamakhuwala	Chairman
Mr. Rishi Raj Agarwal	Promoter
Mr. Bimal Kumar Goenka	Managing Director
Mr. M. M. Damani	Executive Director

#### B. Enterprises under the control of Key Managerial Personnel

Sancia Global Infraprojects Limited

Newsaw Infraprojects Limited

Anarcon Resources Private Limited

Shri Hanuman Investment Private Limited

Sancia Infraglobal Private Limited

Wallford IndiaInfrastructure Reality Private Limited

#### C. Subsidiary

1) Astra Mining Limitada

2) Global Astra Pte Ltd.

Following transaction were carried out in the ordinary course of business with the parties referred to above:

(Rs. in lacs)

Particulars	Enterprise of which the Company is an associate	Key management personnel	Enterprise in which key management personnel has significant influence
Purchase(coal)	–	–	1,988.64
Corporate Guarantees outstanding as at the year end	–	–	46,403.00

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

Particulars	31.03.10	31.03.09
Profit After Tax (Numerator) (Rs.)	(469.89)	4525.40
Weighted Average Number of Equity shares	29,02,96,040	24862937
Earnings/(Loss) Per Share - Basic (Rs.)	(0.16)	18.20
Nominal value per share	1	10

**11. Impairment of Assets**

The company assesses at each balance sheet date whether there is any indication that an assets may be impaired. If any such indication exists, the company estimates the recoverable amount of the assets. If such recoverable amount of the assets or the recoverable amount of the cash generating unit to which the asset belong is less than its carrying amount, the carrying amount is reduced to its recoverable amount. If at the balance sheet date there is an indication that if 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 depreciated historical cost.

**12. Auditors' Remuneration includes**

(Rs. in lacs)

	PARTICULARS	2009-10	2008-09
a)	Audit Fees	1.57	1.04
b)	Tax Audit and Certification fees	0.50	0.38
	<b>Total</b>	<b>2.07</b>	<b>1.42</b>

**13. Additional information pursuant to provisions of Part II of Schedule VI to the Companies Act, 1956 to the extent applicable to the company:****(a) Particulars of Capacity and Production**

Description	Units	Installed Capacity		Actual Production	
		2009-10	2008-09	2009-10	2008-09
Low -Ash Metallurgical Coke	M.T.	3,75,000	3,75,000	1,44,488.60	1,71,050.11

**(b) Particulars of Stocks and Sales**

(Amount in Rs.)

Description	Units	Stocks				Sales	
		Opening		Closing		2009-10	2008-09
		2009-10	2008-09	2009-10	2008-09		
LAMC	M.T. (Rs.)	18,801 221,421,411	22,214 232,418,691	24,980 445,232,069	18,801 221,421,411	138,309 2,318,062,049	174,463 4,343,986,244
Coal	M.T. (Rs.)	66,604 546,177,996	25,385 343,672,379	20,679 238,314,091	66,604 546,177,996	29,681 384,365,065	2,653 47,493,712
Coal in Process	M.T. (Rs.)	1,296 10,108,800	744 8,147,730	1,796 14,275,091	1,296 10,108,800	- -	- -
<b>TOTAL</b>	<b>(Rs.)</b>	<b>777,708,207</b>	<b>584,238,800</b>	<b>697,821,251</b>	<b>777,708,207</b>	<b>2,702,427,114</b>	<b>4,391,479,957</b>

**GREENEARTH RESOURCES & PROJECTS LIMITED****(c) Particulars of Raw Material consumed**

(Amount in Rs.)

Description	2009-10		2008-09	
	Quantity	Value	Quantity	Value
	M.T.	(Rs.)	M.T.	(Rs.)
Raw Coal	1,68,010	2,200,285,534	2,19,669	2,889,236,688

**(d) Other Additional Information**

## i) CIF Value of Imports: Raw Materials: Coal

(Amount in Rs.)

Description	2009-10	2008-09
Raw Materials	57,76,23,100	29,73,43,959

## ii) Value of Imported / Indigenous raw materials consumed

(Amount in Rs.)

Raw Materials	Current Year		Previous Year	
	Rupees	%	Rupees	%
Imported	57,76,23,100	30.52	297,343,959	9.62
Indigenous	1,314,798,529	69.48	2,794,398,346	90.38
<b>TOTAL</b>	<b>1,892,421,629</b>	<b>100.00</b>	<b>3,091,742,305</b>	<b>100.00</b>

14. Previous year's figures have been re-grouped, re-classified and rearranged wherever necessary.

As Per our Report of even date attached  
For T.N.Datta & Associates  
(Chartered Accountants)

Sd/-

**T.N. Datta**  
Proprietor  
Membership No.056676

Place : Kolkata  
Date : 05.09.10

For and on behalf of the Board

Sd/-

**Bimal Kumar Goenka**  
Managing Director

Sd/-

**M. M. Damani**  
Executive Director

## STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO THE INTEREST IN THE SUBSIDIARY COMPANIES

1.	Name of the Subsidiary Company	ASTRA MINING LDA
2.	The financial year of the Subsidiary Company ended on	31.03.2010
3.	Date from which it became subsidiary	29.05.2008
4	a) No of Shares held by Greenerth Resources & Projects Ltd. (Holding Company) in the subsidiary company	–
	(b) Extent of interest of Holding Company At the end of the financial year of the Subsidiary Company	80%
5.	Net aggregate amount, so far as it concerns the members of Greenerth Resources & Projects Ltd. and is not dealt with in the Company's accounts, of the Subsidiary's profits	
	(a) Profit/(loss) for the Subsidiary's previous financial year	Nil
	(b) Profit/ (loss) for the previous financial years of the subsidiary since it became the subsidiary of Greenerth Resources & Projects Ltd.	Nil
6.	Net Aggregate amount of the Profits of the subsidiary so far as those Profits are dealt with in Greenerth Resources & Projects Ltd.	
	(a) For the Subsidiary's financial year	Nil
	(b) For the previous financial years, since it became the Subsidiary of Greenerth Resources & Projects Ltd..	Nil

As Per our Report of even date attached  
For T.N.Datta & Associates  
(Chartered Accountants)

Sd-

**T.N. Datta**  
Proprietor  
Membership No.056676

Place : Kolkata  
Date : 05.09.10

For and on behalf of the Board

Sd/-

**Bimal Kumar Goenka**  
Managing Director

Sd/-

**M. M. Damani**  
Executive Director

### Note:

Pursuant to an application and approval from the Ministry of Corporate Affairs, Government of India, New Delhi under section 212(8) of the Companies Act, 1956, the accounts of subsidiaries have not been annexed to this Annual Report. The annual accounts of the subsidiary companies and the related details will be made available to the investors of the company and subsidiary companies seeking such information at any point of time. The annual accounts of the subsidiary companies are available for inspection by any investor at the Registered Office of the Company and the concerned subsidiary of the company.

## GREENEARTH RESOURCES & PROJECTS LIMITED

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### STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO THE INTEREST IN THE SUBSIDIARY COMPANIES

1.	Name of the Subsidiary Company	GLOBAL ASTRA PTE LTD.
2.	The financial year of the Subsidiary Company ended on	31-12-2009
3.	Date from which it became subsidiary	12.03.2009
4.	a) No of Shares held by Greenearth Resources & Projects Ltd. (Holding Company) in the subsidiary company	2,18,67,000 Equity Shares of SGD 1 Each fully paid up.
	(b) Extent of interest of Holding Company at the end of the financial year of the Subsidiary Company	84.07%
5.	Net aggregate amount, so far as it concerns the members of Greenearth Resources & Projects Ltd. and is not dealtwith in the Company's accounts, of the Subsidiary's profits	
	(a) Profit/(loss) for the Subsidiary's previous financial year	Rs. (1,10,356)
	(b) Profit/(loss) for the previous financial years of the subsidiary since it became the subsidiary of Green earth Resources & Projects Ltd.	Rs. (1,10,356)
6.	Net Aggregate amount of the Profits of the subsidiary so far as those Profits are dealt with in Greenearth Resources & projects Ltd.	
	(a) For the Subsidiary's financial year	Nil
	(b) For the previous financial years, since it became the Subsidiary of Greenearth Resources & Projects Ltd.	Nil

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As Per our Report of even date attached  
For T.N.Datta & Associates  
(Chartered Accountants)

Sd-

**T.N. Datta**  
Proprietor  
Membership No.056676

Place : Kolkata  
Date : 05.09.10

For and on behalf of the Board

Sd/-

**Bimal Kumar Goenka**  
Managing Director

Sd/-

**M. M. Damani**  
Executive Director

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**Note:**

Pursuant to an application and approval from the Ministry of Corporate Affairs, Government of India, New Delhi under section 212(8) of the Companies Act, 1956, the accounts of subsidiaries have not been annexed to this Annual Report. The annual accounts of the subsidiary companies and the related details will be made available to the investors of the company and subsidiary companies seeking such information at any point of time. The annual accounts of the subsidiary companies are available for inspection by any investor at the Registered Office of the Company and the concerned subsidiary of the company.

**GREENEARTH RESOURCES AND PROJECTS LIMITED**

**Regd. Office:** 1/1W, Gariahat Road, Mezzanine Floor, (South) Jodhpur Park, Kolkata - 700 068

**16<sup>th</sup> Annual General Meeting**

**PROXY FORM**

DP ID.....

Folio No.....

Client ID.....

No. of Shares.....



(Applicable for investor holding shares in electronic form)

I/We ..... of ..... in the district of ..... being a Member / Members hereby appoint ..... of ..... in the district of ..... of failing him..... of ..... in the district of ..... as my/our proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the company to be held on Thursday, The 30th September, 2010 at 2:30 P.M. at O2 Hotel & Restaurant, Near Airport, Kaikhali, Vip Road, Kolkata 700 052.

Signed this..... day of ....., 2010

Affix Rupee one revenue stamp

For Office use:

Proxy No..... Date of Receipt: ..... No. of Shares: .....

N.B. : The instrument appointing proxy shall be deposited at the Secretarial Department of the Company not later than 48 hours before the commencement of the meeting..

**GREENEARTH RESOURCES AND PROJECTS LIMITED**

**Regd. Office:** 1/1W, Gariahat Road, Mezzanine Floor, (South) Jodhpur Park, Kolkata - 700 068

**16<sup>th</sup> Annual General Meeting**

**ATTENDANCE SLIP**

DP ID.....

Folio No.....

Client ID.....

No. of Shares.....

(Applicable for investors holding shares in electronic form)

Name of the .....Member.....No. of

Shares held.....Name of the Proxy .....

(to be filled only where a proxy attends the meeting)



I hereby record my presence at the 16th Annual General Meeting of the Company on Thursday The 30th September, 2010 at 2:30 P.M. at O2 Hotel & Restaurant, Near Airport, Kaikhali, Vip Road, Kolkata - 700 052

Signature of Member / Proxy

\*This slip may please be handed over at the entrance of the meeting hall.

