

GREENEARTH Resources & Projects Ltd.

(Formerly Known as Austral Coke & Projects Limited)



All Photographs of Gujarat Plant

Annual Report

(For Period of 01.04.2011 to 31.12.2011)



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**18th Annual General Meeting will be held on
Monday, The 13th February, 2012 at 5:00 P.M. at
O2 Hotel & Restaurant,
Near Airport, Kaikhali, Vip Road, Kolkata - 700 052**

Board of Directors

Mr. Ratan Lal Tamakhuwala
Mr. M. M. Damani
Mr. Sunil Jawaharlal Mandloi
Mr. Om Prakash Singh

Chairman
Executive Director
Managing Director
Director

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)
Tel. No. : 033-40635084

Bankers

State Bank of India
IDBI Bank Ltd.
Bank of India

Corporate Office

Killedar Building -1,
I & II Floor Opp. MTNL
(Near 24 Karat Cinema Hall)
S. V. Road, Jogeshwari (W),
Mumbai - 400102
Tel No. : 022-26794390
E-mail : contact@greenearth.net.in
Website : www.greenearth.net.in

Auditor

Mr. M.M. Mukherjee
M.M. Mukherjee & Associates
Flat No-64-1
Mousami Co-operative Houseing society Ltd
15B, Ballygunge Circular Road
Kolkata - 700019

Registrar and Transfer Agent

Link Intime India Pvt Ltd C- 13,
Pannalal Silk Mills Compound
L.B.S. Marg, Bhandup (W)
Mumbai - 400078

Chairman's Message

Dear Shareholders,

It's my proud and privilege to present the 18th Annual Report of the Company. This has been challenging Period – one that started with great promise and ended with lots of uncertainty and change. The total income of the Company is Rs 169,168,797 /- and there is loss of Rs. 1,826,390,868/-

I compliment my team, who worked with alacrity and dedication to stabilize 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 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 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 marvelous; 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 actualized. We would continue to play a significant 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

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 18TH ANNUAL GENERAL MEETING OF GREENEARTH RESOURCES & PROJECTS LIMITED WILL BE HELD ON MONDAY 13TH FEBRUARY, 2012 AT 05.00 P.M. AT O2 HOTEL & RESTAURANT, NEAR AIRPORT, KAIKHALI, VIP ROAD, KOLKATA-700 052 TO TRANSACT THE FOLLOWING BUSINESS: -

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on December 31, 2011 and Profit and Loss Account for the period ended on that date and the Reports of the Directors and Auditors thereon.
2. Re Appointment of M/S M.M. Mukherjee & Associates as a Statutory Auditor of the Company:
To appoint M/S M.M. Mukherjee & Associates as a Statutory Auditor of the Company to hold office from conclusion of this Annual General Meeting until conclusion of the next Annual General Meeting of the company and fix their Remuneration.
3. To appoint a Director in place of Mr. Ratan Lal Tamakhuwala, who retires by Rotation at the Annual General Meeting and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. M.M.Damani, who retires by Rotation at the Annual General Meeting and being eligible, offers himself for reappointment.

SPECIAL BUSINESS:

5. **Pre poned Closure of Books of Accounts from March 31, 2012 to December 31, 2011.**
“RESOLVED THAT pursuant to section 210 and such other application of the Companies Act, 1956, and such other act applicable, if any the management of the Company has decided to Pre pone the date for the closure of the Books of Accounts of the Company
“RESOLVED FURTHER THAT the financial year of the Company will be of nine months starting from April 01, 2011 to December 31, 2011.
“RESOLVED FURTHER THAT any of the Directors of the Company are be and is hereby authorized to file the prescribed form(s) with Registrar of Companies, Kolkata, and to complete such other formalities as may be required to give effect to the said resolution.”
6. To Appointment of Shri Om Prakash Singh as a Non Executive Independent Director of the Company.
To Consider and, if thought fit, to pass with or without modification, if any, the following resolution as an ordinary resolution:
“RESOLVED THAT Shri Om Prakash Singh ,who was appointed as an Additional Director of the Company pursuant to provision of section 260 of the companies Act, 1956 read with 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 for proposing the candidature of Shri Om Prakash Singh as a Director of the company, be and is hereby appointed as a Director of the company whose office shall be liable to retire 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.

Place: Mumbai

Date: January 19, 2012

By Order of the Board of Directors

Sd/-

Sunil Jawaharlal Mandloi

Managing Director

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 1/1 W 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 09.02.2012 to 13.02.2012 (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.

Place: Mumbai

Date: January 19, 2012

By Order of the Board of Directors

Sd/-

Sunil Jawaharlal Mandloi

Managing Director

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

Item No. 5

The Board of Directors of the Company may be applying with the Board for Industrial & Financial Reconstruction (BIFR). Before approaching BIFR the Company needs to get its audited accounts approved by its shareholders at its General Meeting.

Hence the Board of Directors of the Company has decided to call the Annual general Meeting for the Approval of the Annual Accounts of the Company. The Board has also decided to Pre pone the date for closure of the Books of Accounts hence the financial year of the company will be of nine months starting from April 01, 2011 to December 31, 2011.

Your Directors recommend this resolution for your approval.

None of the Directors of the Company is interested in this resolution.

Item No. 6

Mr. Om Prakash Singh was appointed as an Additional Director of the Company and will hold office upto the Conclusion of resulting 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 Mr. Om Prakash Singh as a Director of the Company.

Considering varied experience of Mr. Om Prakash Singh the Board of Directors of the company will recommend the appointment of Mr. Om Prakash Singh as a Director of the Company.

Your Directors recommend this resolution for your approval.

None of the Directors of the Company except Mr. Om Prakash Singh are interested in this resolution.

Place: Mumbai

Date: January 19, 2012

By Order of the Board of Directors

Sd/-

Sunil Jawaharlal Mandloi

Managing Director

DIRECTORS' REPORT

To

The members

Your Directors have pleasure in presenting their 18th Annual report on the business and operations of the company and the accounts for the financial Period ended 31st December, 2011:

1. Performance of the Company:

a) Turnover:

Current Year (In Rs.)	Previous Year (In Rs.)
151,326,305	1,950,109,722

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

During this Period the turnover of Rs. 151,326,305 is much lesser than previous year which is Rs. 1,950,109,722.

Particulars	PERIOD ENDED 31ST DEC 2011 (In Rs.)	YEAR ENDED ON 31ST MARCH 2011 (In Rs.)
Gross sales	444,786,090	1,950,109,722
Less: Sales Return	293,459,785	-
Net Sales	151,326,305	1,950,109,722
Other income	135,098,547	21,318,184
Increase/ (Decrease) in stocks	(117,256,055)	(528,452,819)
Total income	169,168,797	1,442,975,087
Operating Expenditure	837,176,899	3,736,184,667
Profit from operations before Depreciation, Interest & Preliminary Exp. w/off.	(668,008,102)	(2,293,209,580)
Interest and financial charges	61,113,843	345,517,805
Depreciation	154,392,782	326,509,098
Preliminary Exp. w/off.	8,75,033	8,75,033
Profit after interest and depreciation	(884,389,760)	(2,966,111,516)
Exceptional Items (Impairment Loss)	953,186,427	-
Profit /loss before taxes	(1,837,576,188)	(2,966,111,516)
Tax Expenses (Deferred Tax Assets)	11,185,320	37,786,090
Net Profit / loss for the Period	(1,826,390,868)	(2,928,325,426)

b) Financial Restructuring:

As per the current financial Period results, The Management of the Company May decided to file an application in BIFR.

Erosion of Networth – Reference to Board for Industrial and financial Reconstruction (BIFR) – On Account of Losses incurred during the Period under review and also with carried forward losses of past years, the entire net worth of the Company has got eroded at the end of the period on 31st December, 2011. Therefore, Company is required under the provisions

of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) to make a reference to the Board for Industrial & Financial Re-construction (BIFR) for determination whether the Company is a Sick Industrial Company or not and Company will shortly file the same.

If an order declaring the Company as Sick Industrial Company is passed, BIFR will appoint an Operating Agency to examine and recommend the measures for revival of the Sick Company. The management will take all possible steps for revival of the Unit.

2. Dividend:

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

3. Term Deposits:

During the Period 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:

Mr. Ratan Lal Tamakhuwala and Mr. M. M .Damani, Directors of the Company, retire by rotation and being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting of the Company. The Board has accepted the resignation of Mr. Janaki Ram Ajarapu who was appointed as an Additional Director of the Company w.e.f. November 24, 2011.

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 judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of December 2011 and the profit / Loss of the Company for that period.
- 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. M. M. Mukherjee & Associates, Chartered Accountants have been re-appointed to hold office as Auditors of the Company for the financial year 2012 – 2013 from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at the remuneration as may be decided upon by the board of directors.

8. 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.

9. 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.

Place: Mumbai

Date: January 19, 2012

For and on behalf of the Board of Director

Sd/-

Sunil Jawaharlal Mandloi

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 period ended 31st December 2011 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 Periods 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 period 1st April 2011 to 31st December 2011 are as under.

Particulars	Upto Dec. 2011	2010-11
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo	Nil	Nil

Place: Mumbai
Date: January 19, 2012

By Order of the Board of Directors
Sd/-
Sunil Jawaharlal Mandloi
Managing Director

Management Discussion & Analysis Report

Business Overview

Greenearth Resources and Projects Ltd are 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 meager 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

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.

Financials

Particulars	As at 31.12.2011 (In Rs.)	As at 31.03.2011 (In Rs.)
Balance Sheet		
a. Share Capital	290,296,040	290,296,040
b. Reserves and Surplus	3,046,833,350	3,046,833,350
c. Profit & Loss (debit)	(3,913,282,261)	(2,086,891,391)
d. Loans (Secured and Unsecured)	2,531,109,783	2,764,468,655
e. Net Fixed Assets	1,425,706,848	2,533,286,053
f. Net Current Assets	(17,958,702)	939,522,120
Profit and Loss Account		
1. Sales (Net of Return & Discount)	151,326,305	1,950,109,722
2. Increase/(Decrease) in Stocks	(117,256,055)	(528,452,819)
3. Other Income	135,098,547	21,318,184
4. Profit Before Interest, Depreciation and Tax	(668,883,136)	(2,294,084,613)
5. Net Profit After Tax	(1,826,390,868)	(2,928,325,426)
6. Earning Per Share	(06.29)	(10.09)

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 they 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.

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 Period.

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:-

Sr. No.	Name of Director	Category*	Attendance Board	LastAGM
1	Mr. Ratan Lal Tamkhuwala	Chairman	Y	Y
2	Mr. M. M. Damani	Director	Y	Y
3	Mr. Sunil Kumar Mandloi	Managing Director	Y	Y
4	Mr. Janaki Ram Ajjarpau	Director	N	N
5	Mr. Kantilal Rawal	Director	N	N

Mr Kantilal Rawal Was Appointed As an Additional Director of the company W.e.f June 02, 2011 and he resigned on 31st July, 2011.

b) Board Procedure

During the financial Period 1st April 2011 to 31st December 2011, the Board of Directors met on the following dates: May 13, 2011, August 13, 2011, September 03, 2011, October 19, 2011, October 29, 2011, November 14, 2011, 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:

3. 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 Standards 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:

Mr. Sunil Kumar Mandloi	Chairman (Appointed w.e.f. May 13, 2011)
Mr. Ratan Lal Tamakhuwala	Member (appointed w.e.f. August 17, 2010)
Mr. M. M. Damani	Member (Appointed w.e.f. January 30, 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 Period and quorum was present for every meeting.
- c) Dates of the Audit committee meeting held: Two Audit Committee meetings were held during the year 1st April, 2011 - to 31st December, 2011, on August 13, 2011, November 14, 2011
- d) Chief Accounts Officer of our Company attends the Committee Meetings, Representatives of Statutory Auditors and Internal Auditors are invited to attend the meetings.
- 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.

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:-

Mr. Sunil Kumar Mandloi	Chairman (Appointed w.e.f. May 13, 2011)
Mr. Ratan Lal Tamakhuwala	Member (appointed from August 17, 2010)
Mr. M. M. Damani	Member (Appointed w.e.f. January 30, 2010)

Two Share/Debenture Transfer and Investors' Grievance Committee meetings were held during 1st April, 2011 to 31st December, 2011 on August 13, 2011 and November 14, 2011.

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. Ratan Lal Tamkhuwala	Non- Executive Chairman	NIL	NIL
Mr. M. M. Damani	Executive Director	NIL	NIL
Mr. Sunil Kumar Mandloi **	Managing Director	NIL	NIL

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 PERIOD ENDED ON DECEMBER 31ST 2011:

Sr. No.	Name of Director	Sitting Fees	Total
1	Sunil Kumar Mandloi	NIL	NIL
2	Mr. Ratan Lal Tamkhuwala	NIL	NIL
3	Mr. M. M. Damani	NIL	NIL
	TOTAL	NIL	NIL

GENERAL BODY MEETINGS:

Details of last three Annual General Meetings are as follows:

AGM NO.	Date	Location	Time	No. of Special Resolution Passed
15	December 26, 2009	O2 Hotels and Restaurants, Near Airport, Kaikhali, VIP Road, Kolkata - 700052	2.30 p.m.	1*
16	September 30, 2010	O2 Hotels and Restaurants, Near Airport, Kaikhali, VIP Road, Kolkata - 700052	2.30 p.m.	-
17	September 30, 2011	O2 Hotels and Restaurants, Near Airport, Kaikhali, VIP Road, Kolkata - 700052	4.30 p.m.	1**

* 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.

** A Special Resolution is to be passed for the appointment of M/s. M. M. Mukherjee & Associates as the new Statutory Auditor in place of M/s. T.N. Datta & Associates

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 endeavor to fulfill 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.

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 provides the comprehensive reference on Greenearth Resources and Projects Ltd's Management, Board Members, Vision, Mission and Policies and the financials etc of the Company, in compliance with the Provisions of Listing Agreement.

GENERAL SHAREHOLDERS INFORMATION

Registered Office of the Company	1/1W, Gariahat Road (South) Jodhpur Park, Mezanine Floor, Kolkata-700 068
18TH Annual General Meeting	Greenearth Resources and Projects Limited
Date	13th February, 2012
Time	5.00 P.M.
Venue	O2 Hotel and Restaurant, Near Airport, Kaikhali, VIP Road, Kolkata - 700052
Date of Book Closure	February 09th 2012 to February 13th 2012 (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 2010-2011

Annual listing fees has been paid to BSE& NSE

Market Price Data – BSE

Month	High Price	Low Price	Close Price	Total Turnover (Rs.)
Apr-11	4.36	3.05	3.58	28,157,204
May-11	3.34	2.94	3.07	13,384,303
Jun-11	3.12	2.61	2.88	10,912,243
Jul-11	2.95	2.30	2.64	7,932,012
Aug-11	2.36	1.58	1.87	8,691,650
Sep-11	2.56	1.80	2.05	9,055,184
Oct-11	1.91	1.62	1.79	4,910,868
Nov-11	1.85	1.30	1.58	4,365,331
Dec-11	1.80	1.25	1.44	5,529,244

Market Price Data – NSE

Month	High	Low	Volume (in Lacs)
Apr-11	4.40	3.05	626.18
May-11	3.40	2.95	310.06
Jun-11	3.15	2.60	210.57
Jul-11	2.85	2.30	181.21
Aug-11	2.40	1.60	190.72
Sep-11	2.50	1.80	186.53
Oct-11	1.95	1.65	47.96
Nov-11	1.85	1.30	44.77
Dec-11	1.75	1.25	30.58

* 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 31.12.11 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	59,829	51.7776	14,776,102	5.0900
5001-10000	23,586	20.4119	21,167,144	7.2916
10001-20000	14,475	12.5270	23,909,486	8.2362
20001-30000	5,486	4.7477	14,581,583	5.0230
30001-40000	2,583	2.2354	9,545,852	3.2883
40001-50000	2,824	2.4440	13,626,126	4.6939
50001-100000	3,946	3.4150	30,068,691	10.3579
100001 and above	2,821	2.4414	162,621,056	56.0190
Total	115,550	100.0000	290,296,040	100.0000

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- Refractory : 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 December 31, 2011, as provided under clause 49 of the Listing Agreements with the Stock Exchange.

For Greenearth Resources and Projects Limited

Sd/-

Sunil Kumar Mandloi

Managing Director

Place: Mumbai

Date: 19.01.2012

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 Greenerth Resources and Projects Limited for the Period ended 31st December, 2011, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchanges.

The compliance conditions of corporate governance are 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

M.M. Mukherjee & Associates

Chartered Accountants

Sd/-

M. M. Mukherjee

(Proprietor)

M. No. 015254

Place: Kolkata

Date: 19.01.2012

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 December, 2011 and also the Profit and Loss Account and the Cash Flow Statement for the Period 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;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - 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.
 - 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 December, 2011 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:
 - (1) *Attention is invited to Note No. 7 regarding provision of doubtful debts, as contained in Schedule 18, the Company has written off the debtors and Creditors, having consequential effect on the profit for the period and Provision for Bad & Doubtful Debts.*

- (2) *Note No. 10 in Schedule 18, the Subsidiaries of the Company has incurred heavy losses due to expiration of Mining License and Impairment of Fixed Assets, It will also affect the assumption of Going Concern of Subsidiary Company. Therefore the value of investments in subsidiaries company has diminished but the Company has not make any provision for diminution of Investments in subsidiary Companies as required by AS-13 on "Accounting on Investments" and to the extent the profits and Reserve have been overstated.*
- (3) *Note No. 9 in Schedule 18 related to AS-28 impairment of Asset, The Company has not made an independent assessment of any indicators that may lead to impairment of assets.*
- (4) *The Accumulated losses of the Company is Rs. 391.32 Crores have exceeded its net worth of Rs. 333.71 Crores as at the end of the Period so, the Net worth of the Company has been fully eroded. The Company is covered in the SICK within the meaning of clause (O) of sub section (1) of section 3 of the Sick Industrial Companies (Special Provision) Act, 1985. And the Company may file the Application in Board for Industrial & Financial Re-construction (BIFR). Having Regard to the above, the Company's ability to continue as going concern is in doubt and will depend upon any revival programme by BIFR/Government. (Refer Note No. 8 in Notes to Accounts)*
- (5) *Note No. 6 in Schedule 18, the Company has not made or not worded out any Provision for Interest on Working Capital Facility and Term Loan availed from Various Banks, the amounts not having been ascertained, as the same is not charged by Banks. The Company has also reversed the Interest on Term Loan and Working Capital which was reversed by Bank. This is because of non payment of its dues with Financial Institutions and Bank from Last one year. Due to this, the Banks and Financial Institution has put the Account of Company in Non-performing Assets (NPA).*
- 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 Dec. 2011
- II. In the case of Profit and Loss Account, of the Loss for the Period ended on that date; and
- III. In the case of Cash Flow Statement of the cash flows for the Period ended on that date.

For **M.M. Mukherjee & Associates**
(Chartered Accountants)

M.M. Mukherjee
Proprietor
Membership No. 015254

Place: Kolkata

Date: 19.01.2012

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) The Company is maintaining proper records to show full particulars, including quantitative details and situation of fixed assets *subject to the annexure to the Auditors Report for the period ended on 31.12.2011.*
- (b) All fixed assets have not been physically verified by the management during the period but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company has disposed off some part of fixed assets but it will not affect on its going concern status.
- II (a) The Inventories have been physically verified by the management at reasonable intervals during the period. 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) In our opinion and according to the information and explanation given to us, the company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification, *subject to the annexure to the Auditors Report for the previous financial Period ended on 31st March 2010.*
- III (a) The Company has granted 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) The other terms and conditions on which the loans have been taken is prima facie, not prejudicial to the interest of the company.
- (c) 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 coal, consumables, stores, spares and fixed assets. We have not come across any instance of major weakness in the said internal controls.
- V. (a) On the basis of audit procedures performed by us, we are of the 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 *subject to the annexure to the Auditors Report for the Year ended on 31st march, 2010.*
- (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. In our opinion, the internal audit system is commensurate with the size of the Company and the 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 regular in depositing undisputed statutory dues including Provident Fund, Income

Tax, Sales Tax, Wealth Tax, Customs Duty and other material statutory dues with appropriate authorities. As per information and explanations given to us, no such undisputed statutory dues were in arrears as on 31st Dec. 2011 for a period of more than six months from the date they became payable *except income tax payable & service tax payable*.

- X. The Company has accumulated losses of Rs. 3,913,282,261/- as at the end of the financial period and has incurred a net loss of Rs. 1,826,390,868/- in the current financial period. The Company has covered a sick Company within the meaning of section 3(1)(o) of SICA and as per the direction given, the Company may file Draft Rehabilitation Scheme (DRS).
- XI. The Company is in default for non payment of its dues to 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. According to the information and explanations given to us, 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. In our opinion and according to the information and explanation given to us, the terms & conditions of 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. In our opinion and according to the information and explanation given to us, during the year company has not taken any term loan.
- XVII. According to 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 Period 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 Period, 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 Period under review.
- XXI. According to the information and explanations given to us and to the best of our knowledge and belief, no fraud on or by the Company has been noticed or reported by the Company during the Period.

For **M.M. Mukherjee & Associates**
(Chartered Accountants)

M.M. Mukherjee
Proprietor
Membership No. 015254

Place: Kolkata

Date: 19.01.2012

BALANCE SHEET AS AT 31.12.2011

Particulars	Schedule	31.12.2011 (Rs.)	31.03.2011 (Rs.)
SHAREHOLDERS' FUND :			
Share Capital	1	290,296,040	290,296,040
Reserves & Surplus	2	3,046,833,350	3,046,833,350
Deferred Tax Liability		270,004,228	281,189,547
LOAN FUNDS			
Secured Loans	3	2,531,109,783	2,764,468,655
		<u>6,138,243,401</u>	<u>6,382,787,592</u>
APPLICATION OF FUNDS			
FIXED ASSETS	4	1,425,706,848	2,533,286,053
INVESTMENTS	5	723,758,680	728,758,680
CURRENT ASSETS, LOANS & ADVANCES			
Sundry Debtors	6	809,925,608	2,346,496,754
Inventories	7	70,391,518	187,647,573
Cash/Bank Balances	8	40,321,741	150,406,359
Loans & Advances	9	435,384,068	1,242,356,940
		<u>1,356,022,935</u>	<u>3,926,907,625</u>
LESS : CURRENT LIABILITIES & PROVISIONS	10	1,373,981,637	<u>2,987,385,505</u>
Net Current Assets		(17,958,702)	(939,522,120)
Profit & Loss a/c (Debit Balance)		3,913,282,261	2,086,891,391
Misc. Expenditure (to the extent of not W/off)	11	93,454,315	94,329,348
		<u>6,138,243,401</u>	<u>6,382,787,592</u>
Accounting Policies & Notes to Accounts	17 & 18		

As Per our Report of even date attached
For **M. M. Mukherjee & Associates**
(Chartered Accountants)

For and on behalf of the Board

Sd/-
Sunil Jawaharlal Mandloi
Managing Director

Sd/-
M.M. Damani
Executive Director

Sd/-
M.M. Mukherjee
Proprietor
Membership No.015254
Place: Kolkata
Date: 19.01.2012

PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31.12.2011

Particulars	Schedule	31.12.2011	31.03.2011
		(Rs.)	(Rs.)
INCOME			
Gross Sales		444,786,090	1,950,109,722
Less: sales return		293,459,785	-
Net Sales		151,326,305	1,950,109,722
Other Income	12	135,098,547	21,318,184
Increase / (Decrease) in Stocks	13	(117,256,055)	(528,452,819)
TOTAL		169,168,797	1,442,975,087
EXPENDITURE			
Purchase		139,652,388	2,071,833,976
Manufacturing Expenses	14	33,332,058	118,948,344
Selling, General & Administrative Expenses	15	664,192,453	1,545,402,347
Financial Expenses	16	61,113,843	345,517,805
Preliminary Exp. w/off		875,033	875,033
TOTAL		899,165,775	4,082,577,505
Profit before Depreciation		(729,996,979)	(2,639,602,418)
Depreciation		154,392,782	326,509,098
Impairment Loss		953,186,427	-
Profit before Taxation		(1,837,576,188)	(2,966,111,516)
Provision for taxation		-	-
Deferred Tax Assets /(Liabilities)		11,185,320	37,786,090
Fringe Benefit Tax		-	-
Profit after Taxation and Depreciation		(1,826,390,868)	(2,928,325,426)
Profit brought forward from previous year		(2,086,891,392)	841,434,035
		(3,913,282,261)	(2,086,891,391)
Proposed Dividend / Dividend Paid		-	-
Tax on Proposed Dividend / Dividend Paid		-	-
		(3,913,282,261)	(2,086,891,391)
Accounting Policies & Notes to Accounts	17 & 18		

As Per our Report of even date attached
For **M. M. Mukherjee & Associates**
(Chartered Accountants)

For and on behalf of the Board

Sd/-

Sunil Jawaharlal Mandloi
Managing Director

Sd/-

M.M. Damani
Executive Director

Sd/-
M.M. Mukherjee

Proprietor
Membership No.015254
Place: Kolkata
Date: 19.01.2012

**CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 DECEMBER, 2011
PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT.**

Particulars	31.12.2011 (Rs.)	31.03.2011 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before extra ordinary items and Tax	(1,837,576,188)	(2,966,111,516)
Adjustment for:		
Depreciation	154,392,782	326,509,098
Preliminary Expenses written off	875,033	875,033
Interest debited to Profit and loss account	61,113,843	345,517,805
Loss on sale of Assets(Net)	962,891	1,300,230
Non Operating incomes (Dividend)	(2146)	-
Interest Credit to Profit and Loss Account	(2,666,411)	(22,615,544)
Operating Profit Before Working Capital Changes	(1,622,900,196)	(2,314,524,894)
Adjustment for:		
(Increase)/Decrease in Trade and other Receivables	1,536,571,146	458,323,830
(Increase)/Decrease in Inventories	117,256,055	528,452,819
(Increase)/Decrease in other Current Assets	806,972,872	453,977,194
Increase/(Decrease) in Current Liabilities and Provisions	(1,613,403,868)	235,132,477
Cash Generated From Other Operations	(775,503,991)	(638,638,574)
LESS: Income Tax Paid		
Cash Flow Before Extraordinary Items	(775,503,991)	(638,638,574)
Extraordinary Items (Impairment Loss)	953,186,427	
Net Cash From Operating Activities (A)	177,682,436	(638,638,574)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed asset	--	(33,865,595)
Interest / Dividend Received	2,668,557	22,615,544
Investment Sold	4,037,102	11,396,546
Net Cash Used in Investing activities (B)	6,705,659	146,495
C. CASH FLOW FROM FINANCING ACTIVITY		
Proceeds from Borrowings	(233,358,872)	686,041,742
Interest paid	(61,113,843)	(345,517,805)
Net Cash Used in Financing Activities (C)	(294,472,715)	340,523,937
Net Increase in Cash and Cash Equivalents (A)+(B)+(C)	(110,084,620)	(297,968,142)
Cash & Cash Equivalents (Opening Balance)	150,406,360	448,374,502
Cash & Cash Equivalents (Closing Balance)	40,321,741	150,406,360

As Per our Report of even date attached
For **M. M. Mukherjee & Associates**
(Chartered Accountants)

For and on behalf of the Board

Sd/-
Sunil Jawaharlal Mandloi
Managing Director

Sd/-
M.M. Damani
Executive Director

Sd/-
M.M. Mukherjee
Proprietor
Membership No.015254
Place: Kolkata
Date: 19.01.2012

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT

Particulars	31.12.2011 (Rs.)	31.03.2011 (Rs.)
-------------	---------------------	---------------------

SCHEDULE - 1**SHARE CAPITAL****AUTHORISED**5,00,00,000 Equity Shares (P.Y. :5,00,00,000)
of Rs.1/- each**500,000,000**

500,000,000

Issued, Subscribed & Paid-up

2,90,29,6040 Equity Shares of Rs.1/- each
fully paid in cash (Previous Year : 2,90,29,6040)**290,296,040**

290,296,040

290,296,040**290,296,040****SCHEDULE - 2****RESERVE & SURPLUS**

Securities Premium Account

3,046,833,350

3,046,833,350

3,046,833,350**3,046,833,350****SCHEDULE - 3****SECURED LOANS**

Term Loan

From Banks (working capital facilities)

427,905,970

434,330,850

2,103,203,813

2,330,137,805

2,531,109,783**2,764,468,655****SCHEDULE - 4****FIXED ASSETS**

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	ASON 31.03.11	ADDITIONS	ASON 31.12.11	UPTO 31.03.11	FOR Up to Dec.11	IMPAIRED DURING THE YEAR	UPTO 31.12.11	ASON 31.12.11	ASON 31.03.11
LAND	45,881,399	-	45,881,399	-	-	-	-	45,881,399	45,881,399
BUILDING	66,692,090	-	66,692,090	23,468,244	3,241,788	-	26,710,032	39,982,058	43,223,846
EARTHMOVING EQUIPMENTS	76,397,940	(76,397,940)	-	73,947,064	-	2,450,876	76,397,940	-	2,450,876
PLANT & MACHINERY	3,357,324,977	(1,102,874,620)	2,254,450,357	1,180,446,338	150,634,391	765,421,324	2,096,502,053	1,260,822,924	2,176,878,638
OFFICE EQUIPMENTS	322,807	-	322,807	318,715	1,228	-	319,943	2,864	4,092
COMPUTERS	1,978,989	-	1,978,989	1,830,863	44,438	-	1,875,301	103,688	148,126
FURNITURE AND FIXTURES	5,656,284	-	5,656,284	4,195,782	198,263	-	4,394,045	1,262,239	1,460,502
VEHICLES	4,640,063	-	4,640,063	3,235,792	272,674	-	3,508,466	1,131,597	1,404,271
CAPITAL W.I.P.	261,834,302	(185,314,227)	76,520,075	-	-	185,314,227	-	76,520,075	261,834,302
TOTAL	3,820,728,851	(1,364,586,787)	2,456,142,064	1,287,442,798	154,392,782	953,186,427	2,209,707,780	1,425,706,844	2,533,286,053
PREVIOUS YEAR	3,786,863,256	33,865,595	3,820,728,851	960,933,700	326,509,098	-	1,287,442,798	2,533,286,053	2,825,929,556

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT

Particulars	31.12.2011 (Rs.)	31.03.2011 (Rs.)
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SCHEDULE - 5

INVESTMENTS

a) Quoted - At Cost (50,000 units of SBI Capital Protection Oriented Fund) (Market Value : Rs. 11.277 Per Unit)	500,000	500,000
b) 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
c) Unquoted - At Cost (64,300 Equity shares of M/s Industrial Lamcoke Projects Ltd.)	643,000	643,000
d) Unquoted - At Cost (Astra Mining Limitada)	1,415,680	1,415,680
e) Unquoted - At Cost (2,18,67,000 Equity Shares @ SGD 1of Global Astra Pte Ltd.)	721,200,000	721,200,000
	<u>723,758,680</u>	<u>728,758,680</u>

SCHEDULE - 6

SUNDRY DEBTORS

(Unsecured, considered good)

Debts due for period more than 6 months	2,239,093,832	2,799,835,397
Other Debts	52,639,083	867,521,473
	2,291,732,915	3,667,356,870
Less : Provision for Bad & Doubtful Debts	1,481,807,307	1,320,860,116
Sundry Debtors (Net)	<u>809,925,608</u>	<u>2,346,496,754</u>

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT

Particulars	31.12.2011 (Rs.)	31.03.2011 (Rs.)
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SCHEDULE - 7**INVENTORIES**

Raw Materials	5,547,860	7,194,229
Stock in Process	3,373,000	9,560,520
Finished Goods	60,537,534	169,959,700
Stores, spares & consumables	933,124	933,124
	<u>70,391,518</u>	<u>187,647,573</u>

SCHEDULE - 8**CASH & BANK BALANCES**

Cash in hand (As Certified by the management)	107,364	3,020,260
Balance with schedule Banks (In Current Account)	29,412,017	42,158,184
Balance with schedule Banks (In F.D. & Margin Money A/c)	10,802,360	105,227,915
	<u>40,321,741</u>	<u>150,406,359</u>

SCHEDULE - 9**LOANS & ADVANCES**

Advance Recoverable in cash or in kind	69,708,445	78,726,722
Advances towards capital goods	--	761,193,497
Loans & Advances	305,225,131	333,590,253
Sundry Deposits	12,639,115	12,640,115
Advance Tax (Incl. Tax Deducted at Source)	47,811,377	56,206,353
	<u>435,384,068</u>	<u>1,242,356,940</u>

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

Sundry Creditors	1,092,905,453	1,641,094,917
Duties & Taxes	127,088,213	-
Loans & Advances	27,151,924	1,080,704,559
Unpaid/Unclaimed Dividend	33,809	33,809

PROVISIONS

Outstanding Liability	28,458,666	167,208,648
Provisions for taxation	98,343,572	98,343,572
	<u>1,373,981,637</u>	<u>2,987,385,505</u>

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT

Particulars	31.12.2011 (Rs.)	31.03.2011 (Rs.)
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SCHEDULE - 11

MISCELLANEOUS EXPENDITURE

Preliminary Expenses	94,329,348	95,204,381
Less : Written off during year	875,033	875,033
	<u>93,454,315</u>	<u>94,329,348</u>

SCHEDULE - 12

Other Income		
Dividend Income	2,146	-
Other Miscellaneous Income	-	2,870
Interest on Bank Fixed Deposits/Investments	2,666,411	22,615,544
Profit on sale of Securities	(962,891)	(1,300,230)
Reversal of Interest on term loan	133,392,881	-
	<u>135,098,547</u>	<u>21,318,184</u>

SCHEDULE – 13

INCREASE/(DECREASE) IN STOCK

Opening Stock of Raw Materials	8,127,353	239,958,182
LESS: Closing Stock of Raw Materials	6,480,984	8,127,353
Increase/(Decrease) in Raw Materials	1,646,369	231,830,829
ADD: Opening Stock of Work in Progress	9,560,520	14,526,947
LESS: Closing Stock of Work In Progress	3,373,000	9,560,520
Increase/(Decrease) in Work In Progress	6,187,520	4,966,427
ADD: Opening Stock of Finished Goods	169,959,700	461,615,263
LESS: Closing Stock Of Finished Goods	60,537,534	169,959,700
Increase/(Decrease) in Finished Goods	109,422,166	291,655,563
Net Increase/(Decrease) in Stock	<u>117,256,055</u>	<u>528,452,819</u>

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT

Particulars	31.12.2011 (Rs.)	31.03.2011 (Rs.)
SCHEDULE - 14		
Manufacturing Expenses		
Stores Consumed	3,509,344	10,418,485
Power & Fuel & Water Charges	5,323,812	13,841,911
Repairs & Maintenance Exp	5,489,630	3,427,760
Labour Transportation & Port Charges	17,269,282	86,915,792
Vehicle Operation & Maintenance Expenses	1,739,991	4,344,396
	<u>33,332,058</u>	<u>118,948,344</u>

SCHEDULE - 15

Selling, General & Administrative Expenses		
Salary & Wages	14,416,489	15,258,326
Travelling & Conveyance Expenses	1,811,284	3,243,211
Printing & Stationery	491,779	1,220,179
General Expenses	1,265,179	406,029
Electricity Expenses	106,538	213,091
Advertisement & Sales Promotion Expenses	1,001,088	3,917,182
Staff Welfare Expenses	388,486	1,423,792
Postage, Courier Expenses	877,664	937,547
Rent, Rates & Taxes Expenses	3,006,017	1,490,493
Telecommunication Charges	337,735	204,977
Directors Remuneration	--	660,000
Legal & Professional Charges	6,474,411	6,885,033
Provision for Bad & Doubtful Debts	633,474,407	1,320,860,116
Audit Fees	50,000	110,300
Directors Sitting Fees	--	20,000
Computer Expenses	189,927	31,397
Miscellaneous Balances written-off	301,449	188,520,674
	<u>664,192,453</u>	<u>1,545,402,347</u>

SCHEDULE - 16

Finance Charges		
Interest Paid on cash credit	--	177,855,724
Interest Paid on Term Loan	--	55,538,171
Bank & Finance Charges	61,113,843	112,123,910
	<u>61,113,843</u>	<u>345,517,805</u>

SIGNIFICANT ACCOUNTING POLICIES

SCHEDULE - 17

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 financial Period ended on 31st December, 2011; figures related to previous financial year 2010-11 had been presented on the basis of regenerated and /or reconstructed records prepared on the basis of bank statements, residuary information's and on the basis of management representations due to the loss of financials 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. Impairment of Assets

The company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit 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.

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 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.

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.

SCHEDULE - 18

NOTES TO ACCOUNTS

1. Contingent Liabilities:

- 1) Corporate Guarantee given on behalf of associate/group companies as on Balance Sheet date aggregating to Rs. 36403 Lacs approx.
- 2) During the financial year 2009-10 search and seizure action u/s 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. 1st 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

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 2011	Charge/credit for the period	As at 31st Dec. 2011
(a)Deferred Tax Liability	3463.25	-	3463.25
(b)Deferred Tax Assets	651.36	111.85	763.21
Net Deferred Tax Liability (a – b)	2811.89	-	2700.04

4. Managerial remuneration comprises of payment to:

Executive chairman – Salary including other benefits Rs. Nil (P.Y.Nil) Managing Directors – Salary including other benefits Rs.Nil (P.Y.6,60,000/-)

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. No provision is made on Working Capital Facility and Term loan obtained from various Banks as the account became NPA and interest is not being charged by the Bank. During the year the Company has also reversed the interest on Term Loan and Working Capital, amounting of Rs. 13.34 Crores as per the Bank Statement. The Bank and Financial Institutions has put the Account of Company in Non performing Assests (NPA) due to Non payment of its dues from last one year.
7. Sundry Debtors include disputed balances, which are under various stages of negotiations and Follow up with the Customers. The Management of the Company is not confident of recovery of these amounts. However, based on analysis of each account,the Company has made the Provision for Bad & Doubtful debts 148.18 Crores (Previous Year 132.09 Crores), in line with Para-12 of Significant Accounting Policies and Company has also written off the Creditors amounting of Rs. 84.83 Crores (Previous year Nil) So, It will Consequential effect on the Profit for the Period.
8. The accumulated loss of the Company as on 31.12.2011 was more than 50% of its average net worth during the year immediately preceding the financial year and the Company has also suffered

cash loss during the year and immediately preceding financial year and as such falls within the definition of “sick industrial company” under Section 46(AA) (i) of the Companies(Second Amendment)Act 2002.

Balance of Unsecured Loan, Sundry Debtors, Sundry Creditors, Loans & Advances and deposits are subject to confirmation, reconciliation and adjustments if any

9. During the Year, Company has impaired the Following Assets-

Coke Div. – (i) Coal based Producer

(ii) Air pollution Equipment

(iii) CWIP at Sawantwadi

Equ. Div. - (iii) Earthmoving Equipment

In the view of Management their Net Realizable Value are Nil and the Assets are not in Usable Condition. Therefore these assets are written off.

10. During the year the Subsidiaries of the Company (Global Astra Pte Ltd., holding 84.07% and Astra Mining LDA, holding 80.00%) has incurred heavy losses due to expiry of Mining License and Impairment of Fixed Assets. It will also affect the assumption of “Going Concern” of Subsidiary Companies. but the Management has not written off since the Investment in subsidiary is Long Term.

11. 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	Capital Employed
1.	Coal /Coke	1654.84	(17409.24)	(6447.93)
2.	Refractory	36.85	(76.94)	(348.76)

12. Related Party Disclosures:

A. Key Management personnel of the company

Key Management Personnel	Nature of Relationship
Mr. Ratanlal Tamakhuwala	Promoter/ Non-Executive Chairman
Mr. Sunil Jawaharlal Mandloi	Managing Director
Mr. M. M. Damani	Executive Director

B. Enterprises under the control of Key Management Personnel

- 1) Sancia Global Infraprojects Limited
- 2) New Saw Infraprojects Limited
- 3) Shri Hanuman Investment Pvt. Ltd.
- 4) Anarcon Resources Private Ltd.
- 5) Blackstone Projects Private Ltd.
- 6) Sancia Infraglobal Private Ltd.
- 7) Wallford India Infrastructure Reality (P) Ltd.

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
Remuneration paid/provided	-	-	-
Purchase	-	-	-
Corporate Guarantees outstanding as at the period end	-	-	36,403
Loans & Advances : Taken	-	-	-
Loans & Advances : Given	-	-	-

13. Earnings per Share (EPS):

(Rs. in Lacs)

Particulars	31.12.11	31.03.11
Profit After Tax (Numerator) (Rs.)	(18263.91)	(29283.25)
Weighted Average Number of Equity shares	290,296,040	290296040
Earning/(Loss) Per Share - Basic (Rs.)	(06.29)	(10.09)
Nominal value per share	1	1

14. Auditors' Remuneration includes

(Rs. in lacs)

Particulars	Current Period	Previous Year
a) Audit Fees	0.50	0.60
b) Tax Audit and Certification fees	-	0.50
Total	0.50	1.10

15. 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	
		Dec. 2011	2010-11	Dec.2011	2010-11
Low -Ash Metallurgical Coke	M.T.	375000	375000	26535.24	72291.87

(b) Particulars of Stocks and Sales

(Amount in Rs.)

Description	Units	Stocks				Sales	
		Opening		Closing		Dec.2011	2010-11
		Dec.2011	2010-11	Dec.2011	2010-11		
LAMC	M.T.	9647.87	24 980	8191.006	9647.87	27992.10	87624
	(Rs.)	169,802,530	445 232 069	59,735,000	169,802,530	148,467,831	165,960,4872
Coal	M.T.	423.92	20 679	683.22	423.92	34631.00	13120
	(Rs.)	500,2256	238 314 091	3,159,400	500,2256	-	-

(c) Particulars of Raw Material consumed

(Amount in Rs.)

Description	Dec. 2011		2010-11	
	Quantity M.T.	Value (Rs.)	Quantity M.T.	Value (Rs.)
Raw Coal	26535.200	313,115,360	173037	203,0744,072

(d) Other Additional Information

i) CIF Value of Imports: Raw Materials: Coal

(Amount in Rs.)

Description	Dec. 2011	2010-11
Raw Materials	NIL	141,666,4400

ii) Value of Imported / Indigenous raw materials consumed

(Amount in Rs.)

Raw Materials	Current Period		2010-11	
	Rupees	%	Rupees	%
Imported	NIL	0.00	141,666,4400	78.82
Indigenous	144,501,940	100.00	380,767,837	21.18
TOTAL	144,501,940	100.00	179,743,2237	100.00

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

As Per our Report of even date attached

For and on behalf of the Board

For **M.M. Mukherjee & Associates**
(Chartered Accountants)

Sd/-
Sunil Jawaharlal Mandloi
Managing Director

Sd/-
M.M. Damani
Executive Director

Sd/-
M.M. Mukherjee
Proprietor
Membership No.015254
Place: Kolkata
Date: 19.01.2012

SCHEDULE - 19**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****I. Registration Details :**

Registration No. State Code

II. Capital Raised during the year (Rs. In Lacs)

Public Issue Right Issue

Bonus Issue Private Placement

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

Total Liabilities Total Assets

Sources of Funds Application of Funds

Paid up capital Net Fixed Assets

Reserve & Surplus Investment

Secured Loan Net Current Assets

Unsecured Loan Misc. Expenditure

Deferred Tax Liability P&L Debit Balance

IV. Performance of Company (Rs. In Lacs)

Turnover Total Expenditure

Profit before Tax Profit After Tax

Earning per Share Dividend Rate

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

(as per monetary terms)

Product Description :

Item Code (ITC code) :

Service Description :

As Per our Report of even date attached

For and on behalf of the Board

For **M.M. Mukherjee & Associates**

(Chartered Accountants)

Sd/-

Sunil Jawaharlal Mandloi

Managing Director

Sd/-

M.M. Damani

Executive Director

Sd/-

M.M. Mukherjee

Proprietor

Membership No.015254

Place: Kolkata

Date: 19.01.2012

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 Greenearth Resources & Projects Ltd.
Kolkata

We have examined the attached Consolidated Balance Sheet of Greenearth Resources & Projects Ltd. and its subsidiaries as at 31st Dec. 2011. The Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement for the Period 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 period ended on 31st Dec. 2011. 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 Dec. 2011.

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.

- a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company and its subsidiaries as at 31st Dec. 2011;
- 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 period 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 period ended on that date.

For **M.M. Mukherjee & Associates**
(Chartered Accountants)

M.M. Mukherjee
Proprietor
Membership No. 015254

Place: Kolkata
Date: 19.01.2012

CONSOLIDATED BALANCE SHEET AS AT 31.12.2011

Particulars	Schedule	31.12.2011 (Rs.)	31.03.2011 (Rs.)
SHAREHOLDERS' FUND			
Share Capital	1	290,296,040	290,296,040
Reserves & Surplus	2	4,461,324,397	4,341,964,833
Minority Interest		27,757,792	307,005,859
Deferred Tax Liability		270,004,228	281,189,547
LOAN FUNDS			
Secured Loans	3	2,531,109,783	2,764,468,655
		<u>7,580,492,240</u>	<u>7,984,924,934</u>
APPLICATION OF FUNDS			
FIXED ASSETS	4	1,425,706,848	4,283,329,659
INVESTMENTS	5	1,143,000	6,143,000
CURRENT ASSETS, LOANS & ADVANCES			
Sundry Debtors	6	809,925,608	2,346,496,754
Inventories	7	70,391,518	187,647,573
Cash/Bank Balances	8	42,764,630	152,726,791
Loans & Advances	9	1,149,836,881	1,820,517,118
		<u>2,072,918,637</u>	<u>4,507,388,235</u>
LESS : CURRENT LIABILITIES & PROVISIONS	10	1,403,767,673	2,994,274,526
Net Current Assets		669,150,964	1,513,113,709
Profit & Loss a/c (Debit Balance)		5,391,037,114	2,088,009,218
Misc. Expenditure (to the extent of not W/off)	11	93,454,315	94,329,348
		<u>7,580,492,240</u>	<u>7,984,924,934</u>
Accounting Policies & Notes to Accounts	17 & 18		

As Per our Report of even date attached

For and on behalf of the Board

For **M.M. Mukherjee & Associates**
(Chartered Accountants)

Sd/-

Sunil Jawaharlal Mandloi
Managing Director

Sd/-

M.M. Damani
Executive Director

Sd/-

M.M. Mukherjee
Proprietor
Membership No.015254
Place: Kolkata
Date: 19.01.2012

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31.12.2011

Particulars	Schedule	31.12.2011 (Rs.)	31.03.2011 (Rs.)
INCOME			
Gross Sales		444,786,090	1,950,109,722
Less: sales return		293,459,785	-
Net Sales		151,326,305	1,950,109,722
Other Income	12	135,098,547	21,318,184
Increase / (Decrease) in Stocks	13	(117,256,055)	(528,452,819)
TOTAL		<u>169,168,797</u>	<u>1,442,975,087</u>
EXPENDITURE			
Purchase		139,652,388	2,071,833,976
Manufacturing Expenses	14	33,332,058	118,948,344
Selling, General & Administrative Expenses	15	2,135,950,732	1,545,718,411
Financial Expenses	16	61,136,442	345,538,698
Preliminary Exp. w/off		875,033	875,033
TOTAL		<u>2,370,946,654</u>	<u>4,082,914,462</u>
Profit before Depreciation		(2,201,777,857)	(2,639,939,375)
Depreciation		154,392,782	326,509,098
Impairment Loss		958,042,576	-
Profit before Taxation		(3,314,213,215)	(2,966,448,474)
Provision for taxation		-	-
Deferred Tax Assets /(Liabilities)		11,185,320	37,786,090
Fringe Benefit Tax		-	-
Profit after Taxation and Depreciation		(3,303,027,896)	(2,928,662,384)
Profit brought forward from previous year		(2,088,009,218)	840,653,166
		<u>(5,391,037,114)</u>	<u>(2,088,009,218)</u>
Proposed Dividend / Dividend Paid		-	-
Tax on Proposed Dividend / Dividend Paid		-	-
		<u>(5,391,037,114)</u>	<u>(2,088,009,218)</u>
Accounting Policies & Notes to Accounts	17 & 18		

As Per our Report of even date attached
For **M. M. Mukherjee & Associates**
(Chartered Accountants)

For and on behalf of the Board

Sd/-

Sunil Jawaharlal Mandloi
Managing Director

Sd/-

M.M. Damani
Executive Director

Sd/-

M.M. Mukherjee
Proprietor
Membership No.015254
Place: Kolkata
Date: 19.01.2012

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 DECEMBER, 2011

Particulars	31.12.2011 (Rs.)	31.03.2011 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before extra ordinary items and Tax	(3,314,213,215)	(2,966,448,474)
Adjustment for:		
Depreciation	154,392,782	326,509,098
Preliminary Expenses written off	875,033	875,033
Interest debited to Profit and loss account	61,136,442	345,538,698
Non Operating Items (Dividend)	(2,146)	-
Loss on sale of Assets(Net)	962,891	1,300,230
Interest Credit to Profit and Loss Account	(2,666,411)	(22,615,544)
foreign Currency Translation Reserve	120,192,067	300,515,369
Operating Profit Before Working Capital Changes	<u>(2,979,322,557)</u>	<u>(2,014,325,590)</u>
Adjustment for:		
(Increase)/Decrease in Trade and other Receivables	1,536,571,146	458,323,830
(Increase)/Decrease in Inventories	117,256,055	528,452,819
(Increase)/Decrease in other Current Assets	670,680,237	153,126,149
Increase/(Decrease) Current Liabilities and Provisions	(1,590,506,853)	236,162,360
Cash Generated From Other Operations	<u>(2,245,321,972)</u>	<u>(638,260,432)</u>
LESS: Income Tax Paid		
Cash Flow Before Extraordinary Items	<u>(2,245,321,972)</u>	<u>(638,260,432)</u>
Extraordinary Items (Impairment Loss)	2,423,149,466	-
Net Cash From Operating Activities (A)	<u>177,827,494</u>	<u>(638,260,432)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed asset		(33,865,595)
Interest/Dividend received	2,668,557	22,615,544
Investment Sold	4,037,102	11,396,546
Net Cash Used in Investing activities (B)	<u>6,705,659</u>	<u>146,495</u>
C. CASH FLOW FROM FINANCING ACTIVITY		
Proceeds from Borrowings	(233,358,872)	686,041,742
Interest paid	(61,136,442)	(345,538,698)
Net Cash Used in Financing Activities (C)	<u>(294,495,314)</u>	<u>340,503,044</u>
Net Increase in Cash and Cash Equivalents (A)+(B)+(C)	<u>(109,962,161)</u>	<u>(297,610,893)</u>
Cash & Cash Equivalents (Opening Balance)	152,726,791	450,337,684
Cash & Cash Equivalents (Closing Balance)	<u>42,764,630</u>	<u>152,726,791</u>

As Per our Report of even date attached
For **M. M. Mukherjee & Associates**
(Chartered Accountants)

For and on behalf of the Board

Sd/-

Sunil Jawaharlal Mandloi
Managing Director

Sd/-

M.M. Damani
Executive Director

Sd/-

M.M. Mukherjee

Proprietor

Membership No.015254

Place: Kolkata

Date: 19.01.2012

SCHEDULES ANNEXED TO AND FORMING PART OF CONSOLIDATED BALANCE SHEET

Particulars	31.12.2011 (Rs.)	31.03.2011 (Rs.)
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SCHEDULE - 1

SHARE CAPITAL

AUTHORISED

5,00,00,000 Equity Shares (P.Y. :5,00,00,000)
of Rs.1/- each

500,000,000

500,000,000

Issued, Subscribed & Paid-up

290,296,040

290,296,040

2,90,29,6040 Equity Shares of Rs.1/- each
fully paid in cash (Previous Year : 290,296,040)

290,296,040

290,296,040

SCHEDULE - 2

RESERVE & SURPLUS

Share Premium Account

3,046,833,350

3,046,833,350

Foreign Currency Translation Reserve

5,18,199,471

398,007,404

Capital Reserve/ Goodwill on consolidation

896,291,576

897,124,079

4,461,324,397

4,341,964,833

SCHEDULE - 3

SECURED LOANS

Term Loan

427,905,970

434,330,850

From Banks (working capital facilities)

2,103,203,813

2,330,137,805

2,531,109,783

2,764,468,655

SCHEDULE - 4

FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	AS ON 31.03.11	ADDITIONS	AS ON 31.12.11	UPTO 31.03.11	FOR Up to Dec. 11	IMPAIRED DURING THE YEAR	UPTO 31.12.11	AS ON 31.12.11	AS ON 31.03.11
LAND	45,881,399	-	45,881,399	-	-	-	-	45,881,399	45,881,399
BUILDING	66,692,090	-	66,692,090	23,468,244	3,241,788	-	26,710,032	39,982,058	43,223,846
EARTHMOVING EQUIPMENTS	76,397,940	(76,397,940)	-	73,947,064	-	2,450,876	76,397,940	-	2,450,876
PLANT & MACHINERY	3,357,324,977	(1,102,874,620)	2,254,450,357	1,180,446,338	150,634,391	765,421,324	2,096,502,053	1,260,822,924	2,176,878,638
OFFICE EQUIPMENTS	322,807	-	322,807	318,715	1,228	-	319,943	2,864	4,092
COMPUTERS	1,978,989	-	1,978,989	1,830,863	44,438	-	1,875,301	103,688	148,126
FURNITURE AND FIXTURES	5,656,284	-	5,656,284	4,195,782	198,263	-	4,394,045	1,262,239	1,460,502
VEHICLES	4,640,063	-	4,640,063	3,235,792	272,674	-	3,508,466	1,131,597	1,404,271
CAPITAL W.I.P.	261,834,302	(185,313,227)	76,520,075	-	-	185,314,227	-	76,520,075	261,834,302
Mining licenses	1,743,973,420	(1,743,973,420)	-	-	-	1,743,973,420	-	-	1,743,973,420
ASSETS IN ASTRAMINING LDA	6,070,186	(6,070,186)	-	-	-	6,070,186	-	-	6,070,186
TOTAL	5,570,772,457	(3,114,630,393)	2,456,142,064	1,287,442,798	154,392,782	2,703,230,033	2,209,707,780	1,425,706,844	4,283,29,659
PREVIOUS YEAR	5,536,906,862	33,865,595	5,570,772,457	960,933,700	326,509,098	-	1,287,442,798	4,283,329,659	4,575,973,162

SCHEDULES ANNEXED TO AND FORMING PART OF CONSOLIDATED BALANCE SHEET

Particulars	31.12.2011 (Rs.)	31.03.2011 (Rs.)
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SCHEDULE - 5

INVESTMENTS

a) Quoted - At Cost (50,000 units of SBI Capital Protection Oriented Fund) (Market Value : Rs. 11.277 Per Unit)	500,000	500,000
b) Quoted - At Cost (5,00,000 Units of UTI Infrastructure Advantage Fund Series-I Fund) (Market Value : Rs. 9,20 Per Unit)	-	5,000,000
c) Unquoted - At Cost (64,300 Equity Shares of M/s Industrial Lamcoke Projects Limited)	643,000	643,000
	<u>1,143,000</u>	<u>6,143,000</u>

SCHEDULE - 6

SUNDRY DEBTORS

(Unsecured, considered good)

Debts due for period more than 6 months	2,239,093,832	2,799,835,397
Other Debts	52,639,083	867,521,473
	<u>2,291,732,915</u>	<u>3,667,356,870</u>
Less : Provision for Bad & Doubtful Debts	1,481,807,307	1,320,860,116
Sundry Debtors (Net)	<u>809,925,608</u>	<u>2,346,496,754</u>

SCHEDULE - 7

INVENTORIES

Raw Materials	5,547,860	7,194,229
Stock in Process	3,373,000	9,560,520
Finished Goods	60,537,534	169,959,700
Stores, spares & consumables	933,124	933,124
	<u>70,391,518</u>	<u>187,647,573</u>

SCHEDULES ANNEXED TO AND FORMING PART OF CONSOLIDATED BALANCE SHEET

Particulars	31.12.2011 (Rs.)	31.03.2011 (Rs.)
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SCHEDULE - 8

CASH & BANK BALANCES

Cash in hand (As Certified by the management)	611,328	4,342,517
Balance with schedule Banks (In Current Account)	31,350,942	43,156,359
Balance with schedule Banks (In F.D. & Margin Money A/c)	10,802,360	105,227,915
	<u>42,764,630</u>	<u>152,726,791</u>

SCHEDULE - 9

LOANS & ADVANCES

Advance Recoverable in cash or in kind	784,161,258	656,886,900
Advances towards capital goods	-	761,193,497
Loans & Advances	305,225,131	333,590,253
Sundry Deposits	12,639,115	12,640,115
Advance Tax (Incl. Tax Deducted at Source)	47,811,377	56,206,353
	<u>1,149,836,881</u>	<u>1,820,517,118</u>

SCHEDULE- 10

CURRENT LIABILITIES & PROVISIONS

CURRENT LIABILITIES

Sundry Creditors	1,122,691,489	1,641,616,604
Duties & Taxes	127,088,213	-
Loans & Advances	27,151,924	1,087,071,893
Unpaid/Unclaimed Dividend	33,809	33,809

PROVISIONS

Outstanding Liability	28,458,666	167,208,648
Provisions for taxation	98,343,572	98,343,572
	<u>1,403,767,673</u>	<u>2,994,274,526</u>

SCHEDULE- 11

MISCELLANEOUS EXPENDITURE

Preliminary Expenses	94,329,348	95,204,381
Less : Written off during year	875,033	875,033
	<u>93,454,315</u>	<u>94,329,348</u>

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

Particulars	31.12.2011 (Rs.)	31.03.2011 (Rs.)
SCHEDULE - 12		
Other Income		
Dividend Income	2,146	-
Other Miscellaneous Income	-	2,870
Interest on Bank Fixed Deposits/Investments	2,666,411	22,615,544
Profit on sale of Investment	(962,891)	(1,300,230)
Reversal of Interest on term loan	133,392,881	-
	<u>135,098,547</u>	<u>21,318,184</u>

SCHEDULE - 13**Increase/(Decrease) in Stock**

Opening Stock of Raw Materials	8,127,353	239,958,182
LESS: Closing Stock of Raw Materials	6,480,984	8,127,353
Increase/(Decrease) in Raw Materials	1,646,369	231,830,829
ADD: Opening Stock of Work in Progress	169,959,700	14,526,947
LESS: Closing Stock of Work In Progress	60,537,534	9,560,520
Increase/(Decrease) in Work In Progress	109,422,166	4,966,427
ADD: Opening Stock of Finished Goods	169,959,700	461,615,263
LESS: Closing Stock Of Finished Goods	60,537,534	169,959,700
Increase/(Decrease) in Finished Goods	109,422,166	291,655,563
Net Increase/(Decrease) in Stock	<u>220,490,701</u>	<u>528,452,819</u>

SCHEDULE - 14**Manufacturing Expenses**

Stores Consumed	3,509,344	10,418,485
Power & Fuel & Water Charges	5,323,812	13,841,911
Repairs & Maintenance Exp	5,489,630	3,427,760
Labour Transportation & Port Charges	17,269,282	86,915,792
Vehicle Operation & Maintenance Expenses	1,739,991	4,344,396
	<u>33,332,058</u>	<u>118,948,344</u>

SCHEDULE - 15

Selling, General & Administrative Expenses

Salary & Wages	14,416,489	15,265,093
Travelling & Conveyance Expenses	1,811,284	3,243,211
Printing & Stationery	491,779	1,220,179
General Expenses	1,269,819	512,277
Electricity Expenses	106,538	213,091
Advertisement & Sales Promotion Expenses	1,001,088	3,917,182
Staff Welfare Expenses	388,486	1,423,792
Postage, Courier Expenses	877,664	937,547
Rent, Rates & Taxes Expenses	3,006,017	1,490,493
Telecommunication Charges	337,735	204,977
Directors Remuneration	73,787	760,448
Legal & Professional Charges	6,474,411	6,915,835
Provision for Bad & Doubtful Debts	633,474,407	1,320,860,116
Audit Fees	138,947	182,099
Directors Sitting Fees	-	20,000
Computer Expenses	189,927	31,397
Mining License W/off	1,471,590,906	-
Miscellaneous Balances written-off	301,449	188,520,674
	<u>2,135,950,732</u>	<u>1,545,718,411</u>

SCHEDULE - 16

Finance Charges

Interest Paid on cash credit	-	177,855,724
Interest Paid on Term Loan	-	55,538,171
Bank & Finance Charges	61,136,442	112,144,803
	<u>61,136,442</u>	<u>345,538,698</u>

SCHEDULE ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST DECEMBER, 2011 AND CONSOLIDATE PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED ON THAT DATE

SCHEDULE TO THE ACCOUNTS

SCHEDULE - 17

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) Figures pertaining to the subsidiary have been reclassified to bring them in line with parent Company's financial statements.
 - iv) 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 period ended 31st Dec. 2011 has been consolidated with the holding company.

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.

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.

SCHEDULE - 18**NOTES TO ACCOUNTS****1. Contingent Liabilities :**

- 1) Corporate Guarantee given on behalf of associate/group companies as on Balance Sheet date aggregating to Rs. 36403 Lacs approx.
- 2) During the financial year 2009-10 search and seizure action u/s 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. 1st 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

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 Dec. 2011	Charge/credit for the period	As at 31st March,2011
(a)Deferred Tax Liability	3,463.25	-	3,463.25
(b)Deferred Tax Assets	651.36	111.85	763.21
Net Deferred Tax Liability (a – b)	2811.89	-	2700.04

4. Managerial remuneration comprises of payment to:

Executive chairman – Salary including other benefits Rs. Nil (P.Y.Nil/-)

Managing Directors – Salary including other benefits Rs Nil /- (P.Y6,60,000/-)

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	Capital Employed
1.	Coal /Coke	1654.84	(17409.24)	(6447.93)
2.	Refractory	36.85	(76.94)	(348.76)

8. Related Party Disclosures:**A. Key Management personnel of the company**

Key Management Personnel	Nature of Relationship
Mr. Ratanlal Tamakhuwala	Promoter/ Non Executive Chairman
Mr. Sunil Jawaharlal Mandloi	Managing Director
Mr. M. M. Damani	Executive Director

B. Enterprises under the control of Key Management Personnel

- 1) Sancia Global Infraprojects Limited
- 2) New Saw Infraprojects Limited
- 3) Shri Hanuman Investment Pvt. Ltd.
- 4) Anarcon Resources Private Ltd.
- 5) Blackstone Projects Private Ltd.
- 6) Sancia Infraglobal Private Ltd.
- 7) Wallford India Infrastructure Reality (P) Ltd.

D. 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
Remuneration paid/provided	-	-	-
Purchase	-	-	-
Corporate Guarantees outstanding as at the period ended	-	-	36,403
Loans & Advances : Taken	-	-	-
Loans & Advances : Given	-	-	-

10. Earnings per Share (EPS):

(Rs. in Lacs)

Particulars	31.12.11	31.03.11
Profit After Tax (Numerator) (Rs.)	(33,030.28)	(29,286.62)
Weighted Average Number of Equity shares	29,02,96,040	29,02,96,040
Earning/(Loss) Per Share - Basic (Rs.)	(11.38)	(10.09)
Nominal value per share	1	1

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	2011-12	2010-11
a) Audit Fees	1.33	1.32
b) Tax Audit and Certification fees	-	0.50
Total	1.33	1.82

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	
		Dec.2011	2010-11	Dec.2011	2010-11
Low -Ash Metallurgical Coke	M.T.	375000	375000	26535.24	72291.87

(b) Particulars of Stocks and Sales

(Amount in Rs.)

Description	Units	Stocks				Sales	
		Opening		Closing		Dec.2011	2010-11
		Dec.2011	2010-11	Dec.2011	2010-11		
LAMC	M.T.	9647.87	24 980	8191.006	9647.87	27992.10	87624
	(Rs.)	169,802,530	445 232 069	59,735,000	169,802,530	148,467,831	165,960,4872
Coal	M.T.	423.92	20 679	683.22	423.92	34631.00	13120
	(Rs.)	500,2256	238 314 091	3,159,400	500,2256	-	-

(c) Particulars of Raw Material consumed

(Amount in Rs.)

Description	Dec. 2011		2010-11	
	Quantity M.T.	Value (Rs.)	Quantity M.T.	Value (Rs.)
Raw Coal	26535.200	313,115,360	173037	203,0744,072

(d) Other Additional Information

i) CIF Value of Imports: Raw Materials: Coal

(Amount in Rs.)

Description	Dec. 2011	2010-11
Raw Materials	NIL	141,666,4400

ii) Value of Imported / Indigenous raw materials consumed

(Amount in Rs.)

Raw Materials	Current Period		2010-11	
	Rupees	%	Rupees	%
Imported	NIL	0.00	141,666,4400	78.82
Indigenous	144,501,940	100.00	380,767,837	21.18
TOTAL	144,501,940	100.00	179,743,2237	100.00

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

As Per our Report of even date attached

For and on behalf of the Board

For **M. M. Mukherjee & Associates**

(Chartered Accountants)

Sd/-

Sunil Jawaharlal Mandloi

Managing Director

Sd/-

M.M. Damani

Executive Director

Sd/-

M.M. Mukherjee

Proprietor

Membership No.015254

Place: Kolkata

Date: 19.01.2012

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

1.	Name of the Subsidiary Company	ASTRAMINING LDA
2.	The financial year of the Subsidiary Company ended on	31.12.2011
3.	Date from which it became subsidiary	29.05.2008
4.	a) No of Shares held by Greenearth 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 Greenearth 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	(6, 115,988)
	(b) Profit/ (loss) for the previous financial years of the subsidiary since it became the subsidiary of Greenearth Resources & Projects Ltd..	(6, 115,988)
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

As Per our Report of even date attached

For and on behalf of the Board

For **M. M. Mukherjee & Associates**

(Chartered Accountants)

Sd/-

Sunil Jawaharlal Mandloi
Managing Director

Sd/-

M.M. Damani
Executive Director

Sd/-

M.M. Mukherjee

Proprietor

Membership No.015254

Place: Kolkata

Date: 19.01.2012

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

1.	Name of the Subsidiary Company	GLOBALASTRAPTE LTD
2.	The financial year of the Subsidiary Company ended on	31.12.2011
3.	Date from which it became subsidiary	12.03.2009
4	a) No of Shares held by Greenerth 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 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	Rs. (1, 751, 719,435)
	(b) Profit/(loss) for the previous financial years of the subsidiary since it became the subsidiary of Green earth Resources & Projects Ltd.	Rs. (1, 751, 719,435)
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 and on behalf of the Board

For **M. M. Mukherjee & Associates**

(Chartered Accountants)

Sd/-

Sunil Jawaharlal Mandloi
Managing Director

Sd/-

M.M. Damani
Executive Director

Sd/-

M.M. Mukherjee

Proprietor

Membership No.015254

Place: Kolkata

Note :

Pursuant to an application and approval from the Ministry of 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 (South), Mezanine Floor, Jodhpur Park, Kolkata - 700 068

18th 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 Monday, The 13th February, 2012 at 5:00 P.M. at O2 Hotel & Restaurant, Near Airport, Kaikhali, VIP Road, Kolkata 700 052.

Signed this..... day of, 2012

Affix
Rupee One
Revenue

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 (South), Mezanine Floor, Jodhpur Park, Kolkata - 700 068

18th Annual General Meeting

ATTENDANCE SLIP

DP ID.....

Folio No.....

Client ID.....

No. of Shares.....

(Applicable for investor holding shares in electronic form)

Name of theMember.....No. of Shares held.....Name of the Proxy

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

I hereby record my presence at the 17th Annual General Meeting of the Company on Monday, The 13th February, 2012 at 5:00 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.

If undelivered, please return to:

GREENEARTH RESOURCES & PROJECTS LIMITED

1/1W, Gariahat Road (South), Jodhpur Park,
Mezanine Floor, Kolkata - 700 068 (W.B.)

Phone : 033 - 4063 5084

E-mail : contact@greenearth.net.in

Website : www.greenearth.net.in