

ANNUAL REPORT
2010-2011

GREENEARTH

Resources & Projects Ltd.

(Formerly Known as Austral Coke & Projects Limited)



Contents

Notice of the Meeting	3
Directors Report	7
Management Discussion and Analysis Report	10
Corporate Governance Report	13
Auditors' Report	22
Balance Sheet	26
Profit & Loss Account	27
Cash Flow Statement	28
Schedules	29
Consolidated Auditors' Report	42
Consolidated Balance Sheet	43
Consolidated Profit & Loss Account	44
Consolidated Cash Flow Statement	45
Consolidated Schedules	46
Statement of Subsidiary	57-58

**17th Annual General Meeting will be held on Friday,
September 30, 2011 at 4.30 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. Rajnish Mishra

Chairman
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
Barclays Bank

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

M/s.T. N. Datta & Associates
Mr. T.N. Datta
87/B, Cossipore Road
Kolkata - 700002

Registrar and Transfer Agent

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

Chairman's Message

Dear Shareholders,

It's my proud and privilege to present the 17th Annual Report of the Company. This has been challenging year – one that started with great promise and ended with lots of uncertainty and change. The total income of the company is Rs 1,444,275,316 /- and there is loss of Rs 2,928,325,426/-.

We compliment Managing Director and his 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 lands and other assets of the Company.

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

- (A) offering innovative and improved products through our highly trained delivery and quality teams,
- (b) presenting the cost conscious customer 'value for money' products through value engineering and cost optimization, (c) rationalizing manpower resources and motivating them to take on additional responsibilities - the response from the dedicated Greenearth Resources and Projects Ltd team has been 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 17TH ANNUAL GENERAL MEETING OF GREENEARTH RESOURCES & PROJECTS LIMITED WILL BE HELD ON FRIDAY 30TH SEPTEMBER, 2011 AT 4.30 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 March 31, 2011 and Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ratan Lal Tamakhuwala, who retires by Rotation at the Annual General Meeting and being eligible, offers him for reappointment.
3. To appoint a Director in place of Mr. M.M.Damani, who retires by Rotation at the Annual General Meeting and being eligible, offers him for reappointment.

SPECIAL BUSINESS:

4. **Appointment of M/S M. Mukherjee & Associates as a New Statutory Auditor of the Company:**

To appoint M/S M. Mukherjee & Associates as a new 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.

"WHEREAS M/S T.N. Dutta & Associates., Chartered Accountants, the retiring auditor of the company has express his unwillingness to get himself re-appointed as Statutory Auditors of the Company due to his personal reasons and requested the Board to relieve him from his responsibilities with the conclusion of ensuing Annual General Meeting of the Company.

"RESOLVED that M/s. M. Mukherjee & Associates, Chartered Accountants, be and are hereby appointed Auditors of the Company in place of retiring Auditors to hold office from the conclusion of ensuing Annual General Meeting until the conclusion of the next Annual General Meeting at the remuneration to be fixed by the Board of Directors of the Company and said appointment was by way of resolution subject to confirmation at the AGM".

"RESOLVED FURTHER that the Board or a Committee thereof be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution your directors recommend this resolution for your approval."

5. **Appointment of Mr. Sunil Jawaharlal Mandloi as Managing Director**

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

"RESOLVED THAT pursuant to the provisions of the Section 198, 269,309 and other applicable provisions, if any, of the Companies Act, 1956 (including any Statutory Modification(s) or re-enactments thereof, for the time being in force) read with Schedule XIII of the Act thereto, consent of the Company be and is hereby accorded to the appointment of Mr. Sunil Jawaharlal Mandloi as the Managing Director of the Company for a period of 3 years with effect from July 25, 2011 on the terms and conditions including remuneration as set out hereunder with the liberty to Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any committee which the Board may constitute to exercise its powers, including the power conferred by this resolution) to alter and vary the terms and conditions of the said appointment and or remuneration within the parameters of the applicable laws or any amendment thereto:

"RESOLVED FURTHER THAT wherein a financial year during the currency of his tenure, the Company has no profits or its profits are inadequate the remuneration payable to him shall not

exceed the ceiling limit prescribed in Section 198, 269, 309 and 310 read with Schedule XIII to the Companies Act, 1956, or his present remuneration whichever is less for that year.

“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: September 3, 2011

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 27.09.2011 to 30.09.2011 (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: September 3, 2011

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. 4

The Board has proposed the appointment of M/S M. Mukherjee & Associates as a New Statutory Auditor of the Company in place of existing Auditor M/s T.N.Datta & Associates who expressed their inability to continue because of their pre-occupation, subject to the approval of the shareholders in the Annual General Meeting of the company;

To appointed M/S M. Mukherjee & Associates as a new 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.

Your Directors recommend the resolution for your approval.

Item No. 5

Mr. Sunil Jawaharlal Mandloi having vast experience of 28 years and is practicing as Advocate & Tax counsel at High Court of Mumbai and ITAT Mumbai and he was associated with drafting-of the Direct Tax Code for the country and was member during the year 1991-93 at Aykar Bhavan, Church gate, Mumbai.

The Board of Directors at its meeting held on 25th July, 2011 had appointed Mr. Sunil Jawaharlal Mandloi as the Managing Director of the company for a period of 3 years with effect from 25th July, 2011 in accordance with the provisions of Schedule XIII to the Companies Act, which requires approval of the members of the Company.

A. Tenure of appointment

The appointment of the Managing Director is for a period of 3 years with effect from 25th July, 2011

B. Nature of Duties

The Managing Director Shall devote his whole time attention to the business of the company and carryout such duties as may be entrusted to him by the Board, and exercise such powers as may be assigned to him subject to the superintendence, control & directions of the board in connection with and in the best interest of the business of the company.

Remuneration: Subject to overall limit on remuneration payable to all managerial personnel taken together, as laid down in The Companies Act 1956, read with Schedule XIII thereto, Mr. Sunil Jawaharlal Mandloi shall be paid Rs. 5,40,000/- (Rupees Five Lakh Forty Thousand only) per year and the above remuneration payable to him shall be inclusive of allowances and perquisites etc. as may be determined by the Board from time to time and may be payable monthly or otherwise provided that the perquisites shall be evaluated as per Income Tax Act and Rules wherever applicable. The remuneration for a part of the year shall be computed on pro-rata basis.

Sitting Fees: Mr. Sunil Jawaharlal Mandloi shall not be entitled to any sitting fees. The Board of Directors recommends the proposed resolution for your approval.

None of the directors except Mr. Sunil Jawaharlal Mandloi is in any way concern or interested in the resolution.

The Board recommends the special resolution for acceptance by the members.

None of the Directors of the Company are, in any way, concerned or interested in the Special Resolution.

Place: Mumbai

Date: September 3, 2011

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 17th Annual report on the business and operations of the company and the accounts for the financial year ended 31st March, 2011:

1. Performance of the Company:

a) Turnover:

Current Year (In Rs.)	Previous Year (In Rs.)
1,950,109,722	2,716,148,662

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

During this year the turnover of Rs. 1,950,109,722 is much lesser than previous year which is Rs. 2,716,148,662

Particulars	Year Ended 31.03.2011 (In Rs.)	Year Ended 31.03.2010 (In Rs.)
Income from sales / operations	1,950,109,722	2,71,61,48,662
Other income	22,618,414	3,41,22,197
Increase/ (Decrease) in stocks	(528,452,819)	(7,66,96,309)
Total income	1,444,275,316	2,67,35,74,551
Operating Expenditure	3,737,484,897	2,23,21,03,486
Profit from operations before Depreciation, Interest & Preliminary Exp. w/off.	(2,315,827,995)	40,73,48,866
Interest and financial charges	345,517,805	25,35,48,939
Depreciation	326,509,098	26,07,15,663
Preliminary Exp. w/off.	875,033	8,75,033
Profit after interest and depreciation	(2,966,111,516)	(7,36,68,570)
Exceptional Items	-	-
Profit /loss before taxes	(2,966,111,516)	(7,36,68,570)
Tax Expenses	37,786,090	2,73,50,073
Net Profit / loss for the year	2,928,325,426	(4,63,18,497)

b) Financial Restructuring:

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

2. Dividend:

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

3. Term Deposits:

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

4. Information under Section 217(2a) Of the Companies Act, 1956:

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

5. Directors:

Mr. Ratan Lal Tamakhuwala and Mr. M. M .Damani, Directors of the Company, retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting of the Company.

Mr. Bimal Kumar Goenka , Managing Director of the Company had resigned as Director w.e.f. July 25, 2011.

Mr. Sunil Kumar Mandloi have been appointed as an Additional Director as on May 13, 2011; and appointed as a Managing Director of the Company w.e.f. July 25, 2011.

Mr. Rajnish Mishra have been appointed as a director of the Company w.e.f. September 01, 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 judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 2010-2011 and the profit / Loss of the Company for that year.
- c. that we have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities
- d. that we have prepared the annual accounts on a going concern basis.

7. Auditors

M/S T. N. DATTA & Associates, Chartered Accountants, the Statutory Auditors of the Company, retires at the ensuring Annual General Meeting of the Company. They have expressed their inability for the reappointment as a Statutory Auditors of the Company at the ensuring Annual General Meeting of the Company because of pre-occupation. Board has proposed the name of M/SM. Mukherjee & Associates, for the appointment as a Statutory Auditor of the Company, for the approval of the Shareholders of the Company at the Annual General Meeting of the Company, in place of retiring Auditor M/S T. N. Datta & Associates.

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.

For and on behalf of the Board of Director
Sd/-

Place: Mumbai

Date: 03.09.2011

Sunil Kumar 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 year ended 31st March 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 years through its experience has developed modified and adopted unique technique of stamping of LAM Coke which increases the efficiency of Coke.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign exchange earnings and outgo during the year 2010-2011 are as under.

Particulars	2010-11	2009-10
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo	Nil	Nil

For and on behalf of the Board of Director
Sd/-

Place: Mumbai
Date: 03.09.2011

Sunil Kumar 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 producer's 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 31.03.2011 (In Rs.)	As at 31.03.2010 (In Rs.)
Balance Sheet		
a. Share Capital	290,296,040	29,02,96,040
b. Reserves and Surplus	958,903,810	3,88,72,29,236
c. Loans (Secured and Unsecured)	1,814,575,166	1,12,85,33,424
d. Net Fixed Assets	2,533,286,053	2,82,59,29,556
e. Net Current Assets	(10,371,396)	1,96,34,83,094
Profit and Loss Account		
1. Sales	1,950,109,722	2,71,61,48,662
2. Increase/(Decrease) in Stocks	(528,452,819)	(7,66,96,309)
2. Other Income	22,618,414	3,41,22,197
3. Profit Before Interest, Depreciation and Tax	(2,114,084,614)	44,05,96,032
4. Net Profit After Tax	(2,928,325,426)	(4,63,18,497)
5. Earning Per Share	(10.087)	(0.16)

The performance of your company during the year under review has been encouraging. During the year under review, Turnover and Net Profit for the year is Rs. 1,950,109,722 /- and Rs. (2,928,325,426)/- as compared to the previous year Rs. 2,71,61,48,662/- and Rs. (4,63,18,497)/- respectively. Profits (PBDIT) decreased from Rs 44,05,96,032/- in 2009-10 to Rs. (2,114,084,614)/- in 2010-11. Profit before tax (PBT) has reduced from Rs. (7,36,68,570)/- in 2009-10 to Rs.(2,966,111,516) /- in 2010-11. Profit after tax in 2009-10 was Rs. (4,63,18,497)/- and Rs. (2,928,325,426)/- in 2010-11.

Risk and Threats to Business

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

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

Human resource management

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

Information Technology

The Company is continuously working and concentrating on IT to get maximum benefit for the organization. The Company has been able to use a good ERP system successfully. The Company has

been able to manage such a large size of business successfully only because of excellent information technology systems and processes.

Internal Control System and Their Adequacy

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

Risk Management

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

Compliance with Local Laws

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

Cautionary Statement

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

CORPORATE GOVERNANCE

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

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

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

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

1. COMPOSITION OF BOARD OF DIRECTORS

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

The composition of the Board is in accordance with the requirements of the corporate Governance code of Listing Agreement with the stock exchanges. The Board of Directors consists of optimal combination of Non-executive and Independent directors during the year. As on 31st March, 2011 the Board comprised of Five (5) Directors of which two (2) are Independent. The Chairman of the Board is a Non-Executive Director.

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

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

a) Attendance of Board of Directors

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

Sr. No.	Name of Director	Category*	Attendance Board	LastAGM
1	Mr. Ratan Lal Tamkhuwala	Director	Y	Y
2	Mr. M. M. Damani	Director	Y	Y
3	Mr. Sunil Kumar Mandloi	Managing Director	Y	Y
4	Mr. Kntilal Rawal	Director	N	N
5	Mr. Bimal Kumar Goenka	Director	Y	Y

** Mr. Bimal Kumar Goenka had resigned as Director w.e.f. July 25, 2011, Mr. Sunil Kumar Mandloi have been appointed as an Additional Director as on My 13, 2011; and appointed as a Managing Director of the Company w.e.f. July 25, 2011; Mr. Kntilal Rawal was appointed as an Additional Director of the Company w.e.f. June 02, 2011 and is appointed as an Executive Director of the Company w.e.f. June 06, 2011.

Mr. Rajnish Mishra have been appointed as a Director of the Company w.e.f September 01, 2011

b) Board Procedure

During the financial year 2010-2011, the Board of Directors met on the following dates: May 15, 2010, August 14, 2010, September 05, 2010, November 15, 2010, and February 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 Standard and reviewing the financial policies of our company and to recommend the appointment of statutory auditors and internal auditors and to fix their remuneration. The Committee is responsible for reviewing the reports from internal auditors as well as the group Companies. The Committee will review all quarterly reports before submission of the same to the Board. Name of the directors who are members of the Committee and the details of meeting attended by directors are as under:

Members of Committee:

Mr. Sunil Kumar Mandloi	Chairman (Appointed w.e.f. November 28, 2009 till August 17, 2010)
Mr. Bimal Kumar Goenka	Member (Appointed from May 15, 2010 till July 25, 2011)
Mr. Rishi Raj Agarwal	Member (appointed from July 30, 2009 till August 17, 2010)
Mr. M. M. Damani	Chairman (Appointed w.e.f. August 18, 2010)
Mr. Alok Bansal	Member (Appointed from October 30, 2009 till September 4, 2010)

- a) Audit committee comprises executive and non-executive directors as a member.
- b) Attendance at the audit committee meeting: The committee met Four times during the year and quorum was present for every meeting.
- c) Dates of the Audit committee meeting held: Four Audit Committee meetings were held during the year 2010-11, on May 15, 2010, August 14, 2010, November 15, 2010, and February 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. Company Secretary acts as the Secretary of the Committee.
- e) Brief terms of reference: i) Oversight of company's financial reporting process.
 - ii) Recommendation of appointment of external auditors and their remuneration.
 - iii) Review of quarterly, half yearly and annual financial statements.

- iv) Review of internal control system and internal audit function.
- v) Management discussion and analysis of financial condition and results of operation.
- vi) Significant related party transactions.

SHARE/DEBENTURE TRANSFER AND INVESTORS' GRIEVANCE COMMITTEE

Our Company has constituted an investors relations committee comprising of 3 directors for speedy disposal of the share transfer requests received by our company. The committee along with overseeing share transfer work looks into the complaints received from investors.

The names of directors who are members of the Committee and the details of meeting attended by directors are as under:-

Shri Sunil Mandloi	Chairman (Appointed from 28th November, 2009 till August 17, 2010)
Shri Rishi Raj Agarwal	Member (Appointed from 30th July, 09 till August 17, 2010)
Shri M. M. Damani	Member (Appointed from 30th Jan.2010)
Shri Bimal Kumar Goenka	Member (Appointed from 8th Feb, 2010 till July 25, 2011)

Two Share/Debenture Transfer and Investors' Grievance Committee meetings were held during 2010-11, on May 15, 2010, August 14, 2010, November 15, 2010, and February 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	-	-
Mr. M. M. Damani Executive	Director	-	-
Mr. Sunil Kumar Mandloi **	Managing Director	-	-
Mr. Kntilal Rawal Executive	Director	-	-
Mr. Bimal Kumar Goenka**	Managing Director	-	-

** Resigned as Managing Director on July 25, 2011, and appointed as a Managing Director as on July 25, 2011

INTEREST OF DIRECTORS

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

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

DIRECTORS REMUNERATION/SITTING FEES FOR THE YEAR ENDED MARCH 31, 2011:

Sr. No.	Name of Director	Sitting Fees	Total
1	Sunil Kumar Mandloi	20,000	20,000
2	Mr. Ratan Lal Tamkhuwala	-	-
3	Mr. Bimal Kumar Goenka**	-	-
4	Mr. M. M. Damani	-	-
	TOTAL	20,000	20,000

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. Mukherjee & Associates as a 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 Greearth Resources and Projects Ltd's Management, Board Members, Vision, Mission and Policies and the financials etc of the Company.

GENERAL SHAREHOLDERS INFORMATION

Registered Office of the Company	1/1W, Gariahat Road (South) Jodhpur Park, Mezanine Floor, Kolkata-700 068
Annual General Meeting	Greearth Resources and Projects Limited
Date	30th September. 2011
Time	4.30 P.M.
Venue	O2 Hotel and Restaurant, Near Airport, Kaikhali, VIP Road, Kolkata - 700052
Date of Book Closure	September 27, 2011 to September 30, 2011 (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-10	8.74	7.50	7.53	163,408,664
May-10	7.90	7.90	7.27	140,206,368
Jun-10	7.46	7.85	6.74	132,014,395
Jul-10	7.10	6.22	6.25	91,231,586
Aug-10	6.93	5.60	5.66	88,266,451
Sep-10	6.09	5.41	5.44	56,987,028
Oct-10	6.50	4.50	5.26	103,244,545
Nov-10	5.70	3.85	3.99	52,791,996
Dec-10	5.67	3.67	5.28	88,973,858
Jan-11	5.60	3.70	3.84	47,844,966
Feb-11	3.95	3.11	3.41	18,812,841
Mar-11	3.54	3.02	3.04	16,714,515

Market Price Data – NSE

Month	High	Low	Volume (in Lacs)
Apr-10	8.75	7.50	49,118,280
May-10	7.55	6.00	51,611,661
Jun-10	7.85	6.6	52,355,661
Jul-10	7.15	6.25	30,175,267
Aug-10	6.95	5.75	34,716,073
Sep-10	6.05	5.40	22,997,693
Oct-10	6.85	4.95	36,294,059
Nov-10	5.95	3.90	24,331,816
Dec-10	5.65	3.65	35,788,967
Jan-11	5.35	3.70	16,863,746
Feb-11	3.95	3.15	7,252,286
Mar-11	3.55	3.00	9,343,819

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

Distribution of Shareholding

The shareholding distribution of Equity shares as on 31.03.11 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	112817	94.7254	99112418	34.1418
5001-10000	3719	3.1226	28353989	9.7673
10001-20000	1478	1.2410	21486502	7.4016
20001-30000	440	0.3694	10983301	3.7835
30001-40000	177	0.1486	6249118	2.1527
40001-50000	122	0.1024	5645543	1.9448
50001-100000	197	0.1654	14304260	4.9275
100001 and above	149	0.1251	104160909	35.8809
Total	119099	100.0000	290296040	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- Refectory : Survey No. 351, Village- lunva, Taluka: Bhachau, Distt : Kutch, Gujarat (India).

CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT POLICY

The Board Members and the senior management Personnel have confirmed compliance with the Code of Conduct and Ethics for the period ended March 31, 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: 03.09.2011

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 year ended 31st March, 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

T. N. Datta & Associates

Chartered Accountants

Sd/-

T.N. Datta

(Proprietor)

Membership No. 056676

Place: Mumbai

Date: 03.09.2011

AUDITORS' REPORT

To,
The Members of
Greenearth Resources and Projects Limited
Kolkata

- 1) We have audited the attached Balance Sheet of **M/s Greenearth Resources and Projects Limited** as at 31st March, 2011 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from any material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies (Auditor's Report) Order 2003 issued by the Central Government in terms of sub-section (4A) of Section 227 of "The Companies Act, 1956" we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
- 4) Further to our comments in the Annexure referred to above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of the audit;
 - 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 March, 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 :
During the Financial Year 2010-11, the company has made provision in respect of doubtful recovery of debtors amounting to Rs. 13208.60 Lacs (Previous Year Nil), since in the view of

management recovery of same is considered doubtful, having consequential effect on the profit for the year and provision.

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

- g) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with Significant Accounting Policies and Notes on Accounts forming part thereof, give the information required by the Companies Act, 1956, in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India;
- I. In the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2011
- II. In the case of Profit and Loss Account, of the Profit for the year ended on that date; and
- III. In the case of Cash Flow Statement of the cash flows for the year ended on that date.

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

T.N. Datta
Proprietor
Membership No. 056676

Place: Kolkata
Date: 03.09.2011

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 previous financial year 2009-10.
 - (b) All fixed assets have not been physically verified by the management during the year 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 not disposed off substantial part of fixed assets so as to affect 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 year 2009-10.
- III
 - (a) The Company has not granted any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under section 301 of the companies Act 1956, Clause 4(iii) (b) of the order relating to the rate of interest and other terms and conditions, whether prima facie prejudicial to the interest of the company and clause 4(iii) (c) relating to regularity of receipt of the Principal amount and interest, are not applicable.
 - (d) The company has taken unsecured loans from one party, covered in the register maintained under Section 301 of the Act on call basis. The maximum amount outstanding during the year was Rs. 866.07 lacs and the year end balance was Rs. 455 Lacs.
 - (e) The other terms and conditions on which the loans have been taken is prima facie, not prejudicial to the interest of the company.
 - (f) In view of our comments in Para III (d) and (e) above, clause III (g) of the said order is not applicable to the company.
- IV. In our opinion, there are generally adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to the purchase of 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 previous financial year 2009-10.
 - (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 March 2011 for a period of more than six months from the date they became payable except income tax payable for the financial year 2008-09
- X. The Company has incurred cash loss of Rs. 26,387.27 Lacs(Previous Year :Nil) during the year and its accumulated losses at the end of the financial year are more than 50% of its net worth.
- XI. The Company has defaulted in repayment of its dues to any Financial Institution or bank however we are unable to comment due to lack of requisite information and supporting documents.
- 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, the term loans obtained during the year have been prima facie applied for the purpose for which they were taken.
- 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 year under review, the Company did not make any preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- XIX. The Company has not issued any secured debentures during the year, hence the question of creation of security or charge in respect of debenture issued does not apply.
- XX. The company has not raised any money by public issues during the year under review.
- XXI. 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 year.

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

T.N. Datta
Proprietor

Membership No. 056676

Place: Kolkata

Date: 03.09.2011

BALANCE SHEET AS AT 31.03.2011

Particulars	Schedule	31.03.2011 (Rs.)	31.03.2010 (Rs.)
SHAREHOLDERS' FUND :			
Share Capital	1	290,296,040	290,296,040
Reserves & Surplus	2	958,903,810	3,887,229,236
Deferred Tax Liability (Net)		282,227,696	320,013,786
LOAN FUNDS			
Secured Loans	3	1,814,575,166	1,102,533,424
Unsecured Loans		-	26,000,000
		<u>3,346,002,712</u>	<u>5,626,072,486</u>
APPLICATION OF FUNDS			
FIXED ASSETS	4	2,533,286,053	2,825,929,556
INVESTMENTS	5	728,758,680	741,455,455
CURRENT ASSETS , LOANS & ADVANCES			
Sundry Debtors	6	2,346,496,754	2,804,820,584
Inventories	7	187,647,573	716,100,392
Cash/Bank Balances	8	150,406,359	448,374,502
Loans & Advances	9	1,242,356,940	1,696,334,134
		<u>3,926,907,625</u>	<u>5,665,629,611</u>
LESS : CURRENT LIABILITIES & PROVISIONS	10	3,937,278,994	3,702,146,516
Net Current Assets		(10,371,369)	1,963,483,094
Miscellaneous Expenditure	11	94,329,348	95,204,381
		<u>3,346,002,712</u>	<u>5,626,072,486</u>
Significant Accounting Policies	16		
Notes to Accounts	17		
Balance Sheet Abstract and Business Profile	18		

As Per our Report of even date attached

For T. N. Datta & Associates

(Chartered Accountants)

Sd/-

Sunil Jawaharlal Mandloi

Managing Director

Sd/-

M.M. Damani

Executive Director

Sd/-

T.N.Datta

Proprietor

Membership No.056676

Place: Kolkata

Date: 03.09.2011

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011

Particulars	Schedule	31.03.2011 (Rs.)	31.03.2010 (Rs.)
INCOME			
Sales		1,950,109,722	2,716,148,662
Other Income	12	22,618,414	34,122,197
Increase / (Decrease) in Stocks		(528,452,819)	(76,696,309)
TOTAL		<u>1,444,275,316</u>	<u>2,673,574,551</u>
EXPENDITURE			
Purchase		2,071,833,976	1,899,435,095
Manufacturing Expenses	13	118,948,344	157,651,679
Selling, General & Administrative Expenses	14	1,546,702,577	175,016,713
Financial Expenses	15	345,517,805	253,548,939
Preliminary Exp. w/off		875,033	875,033
TOTAL		<u>4,083,877,735</u>	<u>2,486,527,458</u>
Profit before Depreciation		(2,639,602,418)	187,047,093
Depreciation	4	326,509,098	260,715,663
Profit before Taxation		(2,966,111,516)	(73,668,570)
Provision for taxation		-	-
Deferred Tax Assets/(Liabilities)		37,786,090	27,350,073
Fringe Benefit Tax		-	-
Profit after Taxation and Depreciation		(2,928,325,426)	(46,318,497)
Profit brought forward from previous year		841,434,035	887,752,530
		<u>(2,086,891,391)</u>	<u>841,434,033</u>
Proposed Dividend / Dividend Paid		-	-
Tax on Proposed Dividend / Dividend Paid		-	-
		<u>(2,086,891,391)</u>	<u>841,434,033</u>

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

Sd/-
Sunil Jawaharlal Mandloi
Managing Director

Sd/-
M.M. Damani
Executive Director

Sd/-
T.N.Datta
Proprietor
Membership No.056676
Place: Kolkata
Date: 03.09.2011

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

Particulars	31.03.2011 (Rs.)	31.03.2010 (Rs.)
A. CASH FROM OPERATING ACTIVITIES		
Net Profit before extra ordinary items and Tax	(2,966,111,516)	(73,668,570)
Adjustment for:		
Depreciation	326,509,098	260,715,663
Preliminary Expenses written off	875,033	875,033
Interest debited to Profit and loss account	345,517,805	253,548,939
Other Non Operating (incomes)/ Expenses	-	(394,019)
Loss on sale of Assets(Net)	1,300,230	(14,458,885)
Interest Credit to Profit and Loss Account	(22,615,544)	(19,269,294)
Operating Profit Before Working Capital Changes	<u>(2,314,524,894)</u>	<u>407,348,868</u>
Adjustment for:		
(Increase)/Decrease in Trade and other Receivables	458,323,830	(1,289,127,793)
(Increase)/Decrease in Inventories	528,452,819	76,696,309
(Increase)/Decrease in other Current Assets	453,977,194	755,863,308
Increase/(Decrease) in Current Liabilities and Provisions	235,132,477	499,067,847
Cash Generated From Other Operations	<u>(638,638,574)</u>	<u>449,848,540</u>
LESS: Income Tax Paid		
Cash Flow Before Extraordinary Items	(638,638,574)	449,848,540
Extraordinary Items		
Net Cash From Operating Activities (A)	<u>(638,638,574)</u>	<u>449,848,540</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed asset	(33,865,595)	(340,635,072)
Investment Purchased	-	(10,196,775)
Investment Sold	11,396,546	30,300,000
Net Cash Used in Investing activities (B)	<u>(22,469,049)</u>	<u>(320,531,846)</u>
C. CASH FROM FINANCING ACTIVITY		
Proceeds from Borrowings	686,041,742	78,393,105
Interest/Dividend received	22,615,544	19,663,312
Interest paid	(345,517,805)	(239,090,051)
Net Cash Used in Financing Activities (C)	<u>363,139,481</u>	<u>(141,033,634)</u>
Net Increase in Cash and Cash Equivalents (A)+(B)+(C)	(297,968,142)	(11,716,940)
Cash & Cash Equivalents (Opening Balance)	448,374,502	460,091,442
Cash & Cash Equivalents (Closing Balance)	<u>150,406,359</u>	<u>448,374,502</u>

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

Sd/-
Sunil Jawaharlal Mandloi
Managing Director

Sd/-
M.M. Damani
Executive Director

Sd/-
T.N.Datta
Proprietor
Membership No.056676
Place: Kolkata
Date: 03.09.2011

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT

Particulars	31.03.2011 (Rs.)	31.03.2010 (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

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**

Surplus as per Profit & Loss Account

(2,086,891,391)

841,434,035

Share Premium Account

3,046,833,350

3,046,833,350

Less: Deffered Tax Liability

1,038,149

1,038,149

958,903,810**3,887,229,236****SCHEDULE - 3****SECURED LOANS**

Term Loan

434,330,850

541,823,225

From Banks (working capital facilities)

1,380,244,316

560,710,199

1,814,575,166**1,102,533,424****SCHEDULE - 4****FIXED ASSETS**

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	ASON 31.03.10	ADDITIONS	ASON 31.03.11	UPTO 31.03.10	FOR 2010-11	SOLD	UPTO 31.03.11	ASON 31.03.11	ASON 31.03.10
LAND	44,390,549	1,490,850	45,881,399	-	-	-	-	45,881,399	44,390,549
BUILDING	66,692,090	-	66,692,090	18,665,594	4,802,650	-	23,468,244	43,223,846	48,026,496
EARTHMOVING									
EQUIPMENTS	76,397,940	-	76,397,940	72,896,689	1,050,375	-	73,947,064	2,450,876	3,501,251
PLANT & MACHINERY	2,923,450,232	433,874,745	3,357,324,977	860,705,092	319,741,246	-	1,180,446,338	2,176,878,639	2,062,745,139
OFFICE EQUIPMENTS	322,807	-	322,807	315,987	2,728	-	318,715	4,092	6,820
COMPUTERS	1,978,989	-	1,978,989	1,732,113	98,750	-	1,830,863	148,126	246,876
FURNITURE AND FIXTURES	5,656,284	-	5,656,284	3,873,009	322,773	-	4,195,781	1,460,503	1,783,275
VEHICLES	4,640,063	-	4,640,063	2,745,217	490,576	-	3,235,792	1,404,271	1,894,847
CAPITAL W.I.P.	663,334,302	(401,500,000)	261,834,302	-	-	-	-	261,834,302	663,334,302
TOTAL	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
PREVIOUS YEAR	3,446,228,184	340,635,072	3,786,863,256	700,218,039	260,715,661	-	960,933,700	2,825,929,556	2,746,010,148

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT

Particulars	31.03.2011 (Rs.)	31.03.2010 (Rs.)
SCHEDULE - 5		
INVESTMENTS		
a) Quoted - At Cost (2,50,000 units of JM Basic Fund) (Market Value : Rs. 13.66 Per Unit)	-	2,500,000
b) Quoted - At Cost (50,000 units of SBI Capital Protection Oriented Fund) (Market Value : Rs. 10.968 Per Unit)	500,000	500,000
c) Unquoted - At Cost (64300 Equity shares of M/s Industrial Lamcoke Projects Ltd.)	643,000	643,000
d) Quoted - At Cost (5,00,000 Units o UTI Infrastructure Advantage Fund Series-I Fund) (Market Value : Rs. 8.53 Per Unit)	5,000,000	5,000,000
e) IDFC Money Manager Fund (Market Value : Rs. 10.178 Per Unit)	-	10,196,775
	<u>728,758,680</u>	<u>741,455,455</u>

SCHEDULE - 6

(Unsecured, considered good)

SUNDRY DEBTORS

Debts due for period more than 6 months	2,799,835,397	-
Other Debts	867,521,473	2,804,820,584
	3,667,356,870	2,804,820,584
Less : Provision for Bad & Doubtful Debts	1,320,860,116	-
Sundry Debtors (Net)	<u>2,346,496,754</u>	<u>2,804,820,584</u>

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT

Particulars	31.03.2011 (Rs.)	31.03.2010 (Rs.)
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SCHEDULE - 7**INVENTORIES**

Raw Materials	7,194,229	239,025,058
Stock in Process	9,560,520	14,526,947
Finished Goods	169,959,700	461,615,263
Stores, spares & consumables	933,124	933,124
	<u>187,647,573</u>	<u>716,100,392</u>

SCHEDULE - 8**CASH & BANK BALANCES**

Cash in hand (As Certified by the management)	3,020,260	3,784,662
Balance with schedule Banks (In Current Account)	42,158,184	64,225,432
Balance with schedule Banks (In F.D. & Margin Money A/c)	105,227,915	380,364,407
	<u>150,406,359</u>	<u>448,374,502</u>

SCHEDULE - 9**LOANS & ADVANCES**

Advance Recoverable in cash or in kind	78,726,722	92,906,494
Advances towards capital goods	761,193,497	761,193,497
Other Loans & Advances	333,590,253	775,498,545
Sundry Deposits	12,640,115	11,621,318
Advance Tax (Incl. Tax Deducted at Source)	56,206,353	55,114,280
	<u>1,242,356,940</u>	<u>1,696,334,134</u>

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

Sundry Creditors	2,590,988,406	2,084,712,311
Loans & Advances	1,080,704,559	1,390,420,584
Unpaid/Unclaimed Dividend	33,809	33,809

PROVISIONS

Outstanding Liability	167,208,648	128,636,241
Provisions for taxation	98,343,572	98,343,572
	<u>3,937,278,994</u>	<u>3,702,146,516</u>

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT

Particulars	31.03.2011 (Rs.)	31.03.2010 (Rs.)
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SCHEDULE - 11

MISCELLANEOUS EXPENDITURE

Preliminary Expenses	95,204,381	96,079,414
Less : Written off during year	875,033	875,033
	<u>94,329,348</u>	<u>95,204,381</u>

SCHEDULE - 12

Other Income		
Dividend Income	-	167,924
Other Miscellaneous Income	2,870	226,095
Interest on Bank Fixed Deposits/Investments	22,615,544	19,269,294
Profit on sale of Securities	-	14,458,885
	<u>22,618,414</u>	<u>34,122,197</u>

SCHEDULE - 13

Manufacturing Expenses		
Stores Consumed	10,418,485	10,236,904
Power & Fuel & Water Charges	13,841,911	11,048,784
Repairs & Maintenance Exp	3,427,760	6,940,824
Labour Transportation & Port Charges	86,915,792	128,936,421
Vehicle Operation & Maintenance Expenses	4,344,396	488,745
	<u>118,948,344</u>	<u>157,651,679</u>

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT

Particulars	31.03.2011 (Rs.)	31.03.2010 (Rs.)
SCHEDULE - 14		
Selling, General & Administrative Expenses		
Salary & Wages	15,258,326	17,262,468
Travelling & Conveyance Expenses	3,243,211	2,080,288
Printing & Stationery	1,220,179	1,271,155
General Expenses	406,029	1,992,854
Electricity Expenses	213,091	511,459
Advertisement & Sales Promotion Expenses	3,917,182	552,761
Staff Welfare Expenses	1,423,792	355,199
Postage, Courier Expenses	937,547	891,546
Rent, Rates & Taxes Expenses	1,490,493	2,764,520
Telecommunication Charges	204,977	264,778
Repairs to Others	-	24,620
Directors Remuneration	660,000	340,000
Legal & Professional Charges	6,885,033	28,095,356
Provision for Bad & Doubtful Debts	1,320,860,116	-
Audit Fees	110,300	110,300
Loss on sale of Investments	1,300,230	-
Directors Sitting Fees	20,000	15,000
Computer Expenses	31,397	143,322
Miscellaneous Balances written-off	188,520,674	118,341,087
	<u>1,546,702,577</u>	<u>175,016,713</u>

SCHEDULE - 15

Finance Charges		
Interest Paid on cash credit	177,855,724	63,180,187
Interest Paid on Term Loan	55,538,171	82,139,374
Bank & Finance Charges	112,123,910	108,229,378
	<u>345,517,805</u>	<u>253,548,939</u>

SIGNIFICANT ACCOUNTING POLICIES

SCHEDULE - 16

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of financial statements:

- (a) The financial statements are prepared in accordance with Generally Accepted Accounting Principles (Indian GAAP) under the historical cost convention on accrual basis and on principles of going concern. The accounting policies are consistently applied by the Company except where otherwise stated.
- (b) The financial statements are prepared to comply in all material respects with the accounting standards notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.
- (c) The preparation of the financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known / materialized.
- (d) During the financial year 2010-11; figures related to previous financial year 2009-10 had been presented on the basis of regenerated and /or reconstructed record's prepared on the basis of bank statements, residuary information 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. Investments:

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

4. Foreign Currency Transactions:

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

5. Inventories :

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

6. Revenue Recognition:

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

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

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

Dividends - Revenue is recognized as and when received.

7. Employees' Retirement Benefits:

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

8. Borrowing Cost :

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

9. Earnings per Share:

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

10. Taxes on Income:

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

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

11. Provisions, Contingent Liabilities and Contingent Assets:

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

12. Miscellaneous Expenditure:

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

SCHEDULE - 17

NOTES TO ACCOUNTS

1. Contingent Liabilities:

- 1) Corporate Guarantee given on behalf of associate/group companies as on Balance Sheet date aggregating to Rs. 46,403 Lacs 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 villege 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 villege Lunva, Gujarat.
 2. Ist Pari Passu Charge on movable plant & machinery, furniture & fixture etc. created out of the bank finance on factory land and building, Pari- passu with State Bank of Indore.

Working Capital & Letter of Credit

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

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

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

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

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

1. 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.

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

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

3. Deferred Tax Liability:

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

Particulars	As at 31st March 2010	Charge/credit for the period	As at 31st March,2011
(a)Deferred Tax Liability	3473.64	-	3473.64
(b)Deferred Tax Assets	273.50	377.86	651.36
Net Deferred Tax Liability (a – b)	3200.14	377.86	2822.28

4. Managerial remuneration comprises of payment to:

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

Managing Directors – Salary including other benefits Rs.6,60,000/- (P.Y.90,000/-)

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. During the financial year 2010-11, provision for bad and doubtful debts has been made for Rs. 13,208.60 lacs (Previous year : NIL) as recovery of same is considered doubtful.
7. Balances of Sundry Debtors, sundry creditors, Advances and Deposits are subject to confirmation, reconciliation and adjustment if any.

8. Segment Reporting:

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

(Rs.in Lacs)

Sr.No.	Particulars	Revenue	Profit before Tax & Interest	Capital Employed
1.	Coal/Coke	18733.47	(25464.41)	29684.09
2.	Refractory	197.39	(717.59)	10.37

8. Related Party Disclosures:

A. Key Management personnel of the company

Key Management Personnel	Nature of Relationship
Mr. Ratanlal Tamakhuwala	Non Executive Chairman
Mr. Rishi Raj Agarwal	Promoter
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) Newsaw 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
Purchase	-	-	-
Corporate Guarantees outstanding as at the year end	-	-	46403.00
Loans & Advances : Taken	455	-	-
Loans & Advances : Given	-	-	-

9. Earnings per Share (EPS):

(Rs. in Lacs)

Particulars	31.03.11	31.03.10
Profit After Tax (Numerator) (Rs.)	(29283.25)	(463.18)
Weighted Average Number of Equity shares	290296040	290296040
Earning/(Loss) Per Share - Basic (Rs.)	(10.09)	(0.16)
Nominal value per share	1	1

10. 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.

11. Auditors' Remuneration includes

(Rs. in lacs)

Particulars	2010-11	2009-10
a) Audit Fees	0.60	0.60
b) Tax Audit and Certification fees	0.50	0.50
Total	1.10	1.10

12. 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	
		2010-11	2009-10	2010-11	2009-10
Low -Ash Metallurgical Coke	M.T.	375000	375000	72291.87	144488.60

(b) Particulars of Stocks and Sales

(Amount in Rs.)

Description	Units	Stocks				Sales	
		Opening		Closing		2010-11	2009-10
		2010-11	2009-10	2010-11	2009-10		
LAMC	M.T.	24 980	18 801	9647.87	24 980	87624	138 309
	(Rs.)	445 232 069	221 421 411	169,802,530	445 232 069	165,960,4872	2 318 062 049
Coal	M.T.	20 679	66 604	423.92	20 679	13120	29 681
	(Rs.)	238 314 091	546 177 996	500,2256	238 314 091	213,743,011	384 365 065
Coal in Process	M.T.	1 796	1 296	549.68	1 796	-	-
	(Rs.)	14 275 091	10 108 800	769,5520	14 275 091	-	-
TOTAL	(Rs.)	697 821 251	777 708 207	182500306	697 821 251	1873347883	2 702 427 114

(c) Particulars of Raw Material consumed

(Amount in Rs.)

Description	2010-11		2009-10	
	Quantity M.T.	Value (Rs.)	Quantity M.T.	Value (Rs.)
Raw Coal	1,73,037	203,0744,072	1,68,010	2,200,285,534

(d) Other Additional Information

i) CIF Value of Imports: Raw Materials: Coal

(Amount in Rs.)

Description	2010-11	2009-10
Raw Materials	141,666,4400	57,76,23,100

ii) Value of Imported / Indigenous raw materials consumed

(Amount in Rs.)

Raw Materials	Current Year		Previous Year	
	Rupees	%	Rupees	%
Imported	141,666,4400	78.82	57,76,23,100	30.52
Indigenous	380,767,837	21.18	1,314,798,529	69.48
TOTAL	179,743,2237	100.00	1,892,421,629	100.00

14. 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 T.N. Datta & Associates
(Chartered Accountants)

sd/-

sd/-

sd/-

T.N. Datta
Proprietor
Membership No. 056676

Sunil Mandloi
Managing Director

M.M. Damani
Executive Director

Place: Kolkata
Date: 03.09.2011

SCHEDULE - 18**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 Asses

Unsecured Loan - Misc. Expenditure

Deferred Tax Liability

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 T.N. Datta & Associates
(Chartered Accountants)

sd/-

sd/-

sd/-

T.N. Datta
Proprietor
Membership No. 056676

Sunil Mandloi
Managing Director

M.M. Damani
Executive Director

Place: Kolkata
Date: 03.09.2011

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 March, 2011. The Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement for the year ended on that date, annexed thereto in which are incorporated the accounts of the subsidiary, audited by other auditor. These financial statements are the responsibility of the company management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We did not audit the financial statements of the subsidiaries for the year ended on 31st Dec.2010. These financial statements have been audited by other auditors. The accounts of its Overseas subsidiaries i.e. "Global Astra Pte. Ltd" & Astra Mining LDA has been consolidated on the basis of Unaudited financial statements for the period ended 31st March, 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 March 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 year ended on that date; and
- c) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the Company and its subsidiaries for the year ended on that date.

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

T.N. Datta
Proprietor
Membership No. 056676

Place: Kolkata
Date: 03.09.2011

CONSOLIDATED BALANCE SHEET AS AT 31.03.2011

Particulars	Schedule	31.03.2011 (Rs.)	31.03.2010 (Rs.)
SHAREHOLDERS' FUND			
Share Capital	1	290,296,040	290,296,040
Reserves & Surplus	2	2,252,917,466	5,117,833,850
Deferred Tax Liability		282,227,696	320,013,786
LOAN FUNDS			
Secured Loans	3	1,814,575,166	1,102,533,424
Unsecured Loans		-	26,000,000
Minority Interest		307,005,859	70,236,494
		<u>4,947,022,227</u>	<u>6,926,913,593</u>
APPLICATION OF FUNDS			
FIXED ASSETS	4	4,283,329,659	4,575,973,162
INVESTMENTS	5	6,143,000	18,839,775
CURRENT ASSETS, LOANS & ADVANCES			
Sundry Debtors	6	2,346,496,754	2,804,820,584
Inventories	7	187,647,573	716,100,392
Cash/Bank Balances	8	152,726,791	450,337,684
Loans & Advances	9	1,820,517,118	1,973,643,271
		<u>4,507,388,235</u>	<u>5,944,901,930</u>
LESS : CURRENT LIABILITIES & PROVISIONS	10	<u>3,944,168,015</u>	<u>3,708,005,655</u>
Net Current Assets		563,220,220	2,236,896,275
Miscellaneous Expenditure	11	94,329,348	95,204,381
		<u>4,947,022,227</u>	<u>6,926,913,593</u>
Significant Accounting Policies	16		
Notes to Accounts	17		

As Per our Report of even date attached

For T. N. Datta & Associates

(Chartered Accountants)

Sd/-

Sunil Jawaharlal Mandloi

Managing Director

Sd/-

M.M. Damani

Executive Director

Sd/-

T.N.Datta

Proprietor

Membership No.056676

Place: Kolkata

Date: 03.09.2011

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011

Particulars	Schedule	31.03.2011 (Rs.)	31.03.2010 (Rs.)
INCOME			
Sales		1,950,109,722	2,716,148,662
Other Income	12	22,618,414	34,122,197
Increase / (Decrease) in Stocks		(528,452,819)	(76,696,309)
TOTAL		<u>1,444,275,316</u>	<u>2,673,574,551</u>
EXPENDITURE			
Purchase		2,071,833,976	1,899,435,095
Manufacturing Expenses	13	118,948,344	157,651,679
Selling, General & Administrative Expenses	14	1,547,018,641	175,635,194
Financial Expenses	15	345,538,698	253,600,967
Preliminary Exp. w/off		875,033	875,033
TOTAL		<u>4,084,214,692</u>	<u>2,487,197,967</u>
Profit before Depreciation		(2,639,939,376)	186,376,584
Depreciation	4	326,509,098	260,715,661
Profit before Taxation		(2,966,448,474)	(74,339,077)
Provision for taxation		-	-
Deferred Tax Assets /(Liabilities)		37,786,090	27,350,073
Profit after Taxation and Depreciation		(2,928,662,384)	(46,989,004)
Profit brought forward from previous year		840,653,166	887,642,174
		<u>(2,088,009,218)</u>	<u>840,653,170</u>
Proposed Dividend / Dividend Paid		-	-
Tax on Proposed Dividend / Dividend Paid		-	-
		<u>(2,088,009,218)</u>	<u>840,653,170</u>

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

Sd/-
Sunil Jawaharlal Mandloi
Managing Director

Sd/-
M.M. Damani
Executive Director

Sd/-
T.N.Datta
Proprietor
Membership No.056676
Place: Kolkata
Date: 03.09.2011

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2011

Particulars	31.03.2011 (Rs.)	31.03.2010 (Rs.)
A. CASH FROM OPERATING ACTIVITIES		
Net Profit before extra ordinary items and Tax	(2,966,448,474)	(74,339,079)
Adjustment for:	-	-
Depreciation	326,509,098	260,715,663
Preliminary Expenses written off	875,033	875,033
Interest debited to Profit and loss account	345,538,698	253,548,939
Other Non Operating (incomes)/ Expenses	-	(394,019)
Loss on sale of Assets(Net)	1,300,230	(14,458,885)
Interest Credit to Profit and Loss Account	(22,615,544)	(19,269,294)
Foreign Currency Translation Reserve	300,515,369	132,335,742
Operating Profit Before Working Capital Changes	<u>(2,014,325,590)</u>	<u>539,014,101</u>
Adjustment for:		
(Increase)/Decrease in Trade and other Receivables	458,323,830	(1,289,127,793)
(Increase)/Decrease in Inventories	528,452,819	76,696,309
(Increase)/Decrease in other Current Assets	153,126,149	660,061,737
Increase/(Decrease) Current Liabilities and Provisions	236,162,360	574,772,837
Cash Generated From Other Operations	<u>(638,260,431)</u>	<u>561,417,192</u>
LESS: Income Tax Paid	-	-
Cash Flow Before Extraordinary Items	<u>(638,260,431)</u>	561,417,192
Extraordinary Items	-	-
Net Cash From Operating Activities	(A) <u>(638,260,431)</u>	<u>561,417,192</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed asset	(33,865,595)	(340,635,072)
Sale of Fixed Asset	-	-
Investment Purchased	-	(10,196,775)
Investment Sold	11,396,546	30,300,000
Preliminary Expenses Incurred	-	-
Net Cash Used in Investing activities	(B) <u>(22,469,049)</u>	<u>(320,531,846)</u>
C. CASH FROM FINANCING ACTIVITY		
Proceeds From Issue of Equity Shares	-	69,866,561
Security Premium	-	1,126,296,602
Share Application Pending Allotment	-	(1,354,159,412)
Proceeds from Borrowings	686,041,742	78,393,105
Interest/Dividend received	22,615,544	19,663,312
Interest paid	(345,538,698)	(239,090,051)
Dividend paid and tax thereon	-	-
Net Cash Used in Financing Activities	(C) <u>363,118,588</u>	<u>(299,029,883)</u>
Net Increase in Cash and Cash Equivalents	(A)+(B)+(C) <u>(297,610,892)</u>	<u>(58,144,537)</u>
Cash & Cash Equivalents (Opening Balance)	<u>450,337,684</u>	<u>508,482,221</u>
Cash & Cash Equivalents (Closing Balance)	<u>152,726,791</u>	<u>450,337,684</u>

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

Sd/-
Sunil Jawaharlal Mandloi
Managing Director

Sd/-
M.M. Damani
Executive Director

Sd/-
T.N.Datta
Proprietor
Membership No.056676
Place: Kolkata
Date: 03.09.2011

SCHEDULES ANNEXED TO AND FORMING PART OF CONSOLIDATED BALANCE SHEET

Particulars	31.03.2011 (Rs.)	31.03.2010 (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

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

SCHEDULE - 2

RESERVE & SURPLUS

Capital Reserve on consolidation

897,124,079

7,596,842

Foreign Currency Translation Reserve

398,007,404

97,492,035

Surplus as per Profit & Loss Account

(2,088,009,218)

840,653,170

Share Premium Account

3,046,833,350

4,173,129,952

Less: Deffered Tax Liability

(1,038,149)

(1,038,149)

2,252,917,466

5,117,833,850

SCHEDULE - 3

SECURED LOANS

Term Loan

434,330,850

541,823,225

From Banks (working capital facilities)

1,380,244,316

560,710,199

1,814,575,166

1,102,533,424

SCHEDULE - 4

FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	AS ON 31.03.10	ADDITIONS	AS ON 31.03.11	UPTO 31.03.10	FOR 2010-11	SOLD	UPTO 31.03.11	AS ON 31.03.11	AS ON 31.03.10
MININGLICENSES	1,743,973,420	-	1,743,973,420	-	-	-	-	1,743,973,420	1,743,973,420
TANGIBLEASSETS									
LAND	44,390,549	1,490,850	45,881,399	-	-	-	-	45,881,399	44,390,549
BUILDING	66,692,090	-	66,692,090	18,665,594	4,802,650	-	23,468,244	43,223,846	48,026,496
EARTHMOVINGEQUIPMENTS	76,397,940	-	76,397,940	72,896,689	1,050,375	-	73,947,064	2,450,876	3,501,251
PLANT & MACHINERY	2,929,520,418	433,874,745	3,363,395,163	860,705,092	319,741,246	-	1,180,446,338	2,182,948,825	2,068,815,325
OFFICEEQUIPMENTS	322,807	-	322,807	315,987	2,728	-	318,715	4,092	6,820
COMPUTERS	1,978,989	-	1,978,989	1,732,113	98,750	-	1,830,863	148,126	246,876
FURNITUREANDFIXTURES	5,656,284	-	5,656,284	3,873,009	322,773	-	4,195,781	1,460,503	1,783,275
VEHICLES	4,640,063	-	4,640,063	2,745,217	490,576	-	3,235,792	1,404,271	1,894,847
CAPITALW.I.P.	663,334,302	(401,500,000)	261,834,302	-	-	-	-	261,834,302	663,334,302
TOTAL	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
PREVIOUS YEAR	5,196,271,790	340,635,072	5,536,906,862	700,218,039	260,715,661	-	960,933,700	4,575,973,162	4,496,053,754

SCHEDULES ANNEXED TO AND FORMING PART OF CONSOLIDATED BALANCE SHEET

Particulars	31.03.2011 (Rs.)	31.03.2010 (Rs.)
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SCHEDULE - 5

INVESTMENTS

a) Quoted - At Cost (2,50,000 units of JM Basic Fund) (Market Value : Rs. 13.66 Per Unit)	- - -	2,500,000
b) Quoted - At Cost (50,000 units of SBI Capital Protection Oriented Fund) (Market Value : Rs. 10.968 Per Unit)	500,000 - -	500,000
c) Unquoted - At Cost (64300 Equity shares of M/s Industrial Lamcoke Projects Ltd.)	643,000 -	643,000
d) Quoted - At Cost (5,00,000 Units o UTI Infrastructure Advantage Fund Series-I Fund) (Market Value : Rs. 8.53 Per Unit)	5,000,000 - - -	5,000,000
e) IDFC Money Manager Fund (Market Value : Rs. 10.178 Per Unit)	-	10,196,775
	<u>6,143,000</u>	<u>18,839,775</u>

SCHEDULE - 6

SUNDRY DEBTORS

(Unsecured, considered good)

Debts due for period more than 6 months	2,799,835,397	-
Other Debts	867,521,473	2,804,820,584
	<u>3,667,356,870</u>	<u>2,804,820,584</u>
Less : Provision for Bad & Doubtful Debts	1,320,860,116	-
Sundry Debtors (Net)	<u>2,346,496,754</u>	<u>2,804,820,584</u>

SCHEDULE - 7

INVENTORIES

Raw Materials	7,194,229	239,025,058
Stock in Process	9,560,520	14,526,947
Finished Goods	169,959,700	461,615,263
Stores, spares & consumables	933,124	933,124
	<u>187,647,573</u>	<u>716,100,392</u>

SCHEDULES ANNEXED TO AND FORMING PART OF CONSOLIDATED BALANCE SHEET

Particulars	31.03.2011 (Rs.)	31.03.2010 (Rs.)
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SCHEDULE - 8

CASH & BANK BALANCES

Cash in hand (As Certified by the management)	4,342,517	4,726,526
Balance with schedule Banks (In Current Account)	42,158,184	64,225,432
Balance with schedule Banks (In F.D. & Margin Money A/c)	105,227,915	380,364,407
Balance with Bank outside India	998,175	1,021,318
	<u>152,726,791</u>	<u>450,337,684</u>

SCHEDULE - 9

LOANS & ADVANCES

Advance Recoverable in cash or in kind for value to be received	656,886,900	675,054,131
Advances towards capital goods	761,193,497	761,193,497
Loans & Advances	333,590,253	470,660,045
Sundry Deposits	12,640,115	11,621,318
Advance Tax (Incl. Tax Deducted at Source)	56,206,353	55,114,280
	-	-
	<u>1,820,517,118</u>	<u>1,973,643,271</u>

SCHEDULE- 10

CURRENT LIABILITIES & PROVISIONS

CURRENT LIABILITIES

Sundry Creditors	2,591,510,093	2,084,737,811
Loans & Advances	1,087,071,893	1,396,149,618
Unpaid/Unclaimed Dividend	33,809	33,809

PROVISIONS

Outstanding Liability	167,208,648	128,740,846
Provisions for taxation	98,343,572	98,343,572
	<u>3,944,168,015</u>	<u>3,708,005,655</u>

SCHEDULE- 11

MISCELLANEOUS EXPENDITURE

Preliminary Expenses	95,204,381	96,079,414
Less : Written off during year	875,033	875,033
	<u>94,329,348</u>	<u>95,204,381</u>

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

Particulars	31.03.2011 (Rs.)	31.03.2010 (Rs.)
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SCHEDULE - 12**Other Income**

Dividend Income	-	167,924
Other Miscellaneous Income	2,870	226,095
Interest on Bank Fixed Deposits/Investments	22,615,544	19,269,294
Profit on sale of Securities	-	14,458,885
	<u>22,618,414</u>	<u>34,122,197</u>

SCHEDULE - 13**Manufacturing Expenses**

Stores Consumed	10,418,485	10,236,904
Power & Fuel & Water Charges	13,841,911	11,048,784
Repairs & Maintenance Exp	3,427,760	6,940,824
Labour Transportation & Port Charges	86,915,792	128,936,421
Vehicle Operation & Maintenance Expenses	4,344,396	488,745
	<u>118,948,344</u>	<u>157,651,679</u>

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

Salary & Wages	15,265,093	17,688,386
Travelling & Conveyance Expenses	3,243,211	2,166,446
Printing & Stationery	1,220,179	1,271,155
General Expenses	512,277	2,342,159
Electricity Expenses	213,091	511,459
Advertisement & Sales Promotion Expenses	3,917,182	552,761
Staff Welfare Expenses	1,423,792	355,199
Postage, Courier Expenses	937,547	891,546
Rent, Rates & Taxes Expenses	1,490,493	2,764,520
Telecommunication Charges	204,977	264,778
Repairs to Others	-	24,620
Directors Remuneration	760,448	-
Legal & Professional Charges	6,915,835	28,095,356
Provision for Bad & Doubtful Debts	1,320,860,116	-
Audit Fees	182,099	207,400
Loss on sale of Investments	1,300,230	-
Directors Sitting Fees	20,000	15,000
Computer Expenses	31,397	143,322
Sundry Balances writtn-off	188,520,674	118,341,087
	<u>1,547,018,641</u>	<u>175,635,194</u>

SCHEDULE - 15**Finance Charges**

Interest Paid on cash credit	177,855,724	63,180,187
Interest Paid on Term Loan	55,538,171	82,139,374
Bank & Finance Charges	112,144,803	108,281,406
	<u>345,538,698</u>	<u>253,600,967</u>

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

SCHEDULE TO THE ACCOUNTS

SCHEDULE - 16

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Consolidation

- (a) The consolidated financial statements relate to Greenearth Resources & Projects Ltd. and its subsidiaries Global Astra Pte. Ltd. Singapore and Astra Mining Lda, Mozambique.
- (b) The consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 issued by Institute of Chartered Accountants of India:
 - i) The financial statements of the Company and its subsidiary have been combined on a line to line basis by adding together like items of assets, liabilities, income and expenses.
 - ii) Intergroup balances, intergroup transactions and resulting unrealized profits /losses have been eliminated in full.
 - iii) 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 year ended 31st March 2011 has been consolidated with the holding company. This consolidation has been carried out after taking into account, effects of all significant transaction and other events that occurred between the date of an audited Balance Sheet as at 31st December 2010 and the date of consolidation i.e. 31st March 2011.

2. Basis of preparation of financial statements:

- (a) The financial statements are prepared in accordance with Generally Accepted Accounting Principles (Indian GAAP) under the historical cost convention on accrual basis and on principles of going concern. The accounting policies are consistently applied by the Company except where otherwise stated.
- (b) The financial statements are prepared to comply in all material respects with the accounting standards notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.
- (c) The preparation of the financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known / materialized.
- (d) During the financial year 2010-11; figures related to previous financial year 2009-10 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).

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 - 17

NOTES TO ACCOUNTS

1. Contingent Liabilities :

- 1) Corporate Guarantee given on behalf of associate/group companies as on Balance Sheet date aggregating to Rs. 46,403 Lacs
- 2) 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 villege 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 villege Lunva, Gujarat.
 2. Ist Pari Passu Charge on movable plant & machinery, furniture & fixture etc.created out of the bank finance on factory land and building, Pari- passu with State Bank of Indore.

Working Capital & Letter of Credit

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

1. Primarily secured by hypothecation of entire stocks of raw materials, stocks-in-process, finished goods and stores & spares, book-debts and goods-in-transit covered by documents of title thereon First pari passu basis with other working capital lenders.
2. Collaterally secured by second pari passu charge on entire fixed assets of the company,

and first pari passu charge over commercial land at village Lunva Gujarat.

3. Personal guarantee of the Chairman & Managing Director of the company.

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

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

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

1. 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.

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

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

3. Deferred Tax Liability:

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

(Rs.in Lac)

Particulars	As at 31st March 2010	Charge/credit for the period	As at 31st March,2011
(a)Deferred Tax Liability	3473.64	-	3473.64
(b)Deferred Tax Assets	273.50	377.86	651.36
Net Deferred Tax Liability (a – b)	3200.14	377.86	2822.28

4. Managerial remuneration comprises of payment to:

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

Managing Directors – Salary including other benefits Rs.6,60,000/- (P.Y.90,000/-)

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. During the financial year 2010-11, provision for Bad & Doubtful debts has been made for Rs. 13208.60 Lacs (Previous Year : Nil) as the recovery of same is considered doubtful.

7. Balances of Sundry Debtors, sundry creditors, Advances and Deposits are subject to confirmation, reconciliation and adjustment if any.

8. Segment Reporting:

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

(Rs.in Lacs)

Sr.No.	Particulars	Revenue	Profit before Tax & Interest	Capital Employed
1.	Coal /Coke	18733.47	(25464.41)	49212.86
2.	Refractory	197.39	(717.59)	852.62

9. Related Party Disclosures:

A. Key Management personnel of the company

Key Management Personnel	Nature of Relationship
Mr. Ratanlal Tamakhuwala	Non Executive Chairman
Mr. Rishi Raj Agarwal	Promoter
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) Newsaw 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 year end	-	-	46403.00
Loans & Advances : Taken	455	-	-
Loans & Advances : Given	-	-	-

10. Earnings per Share (EPS):

(Rs. in Lacs)

Particulars	31.03.11	31.03.10
Profit After Tax (Numerator) (Rs.)	(29286.62)	(469.89)
Weighted Average Number of Equity shares	29,02,96,040	29,02,96,040
Earning/(Loss) Per Share - Basic (Rs.)	(10.09)	(0.16)
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	2010-11	2009-10
a) Audit Fees	1.32	1.57
b) Tax Audit and Certification fees	0.50	0.50
Total	1.82	2.07

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	
		2010-11	2009-10	2010-11	2009-10
Low -Ash Metallurgical Coke	M.T.	375000	375000	72291.87	144488.60

(b) Particulars of Stocks and Sales

(Amount in Rs.)

Description	Units	Stocks				Sales	
		Opening		Closing		2010-11	2009-10
		2010-11	2009-10	2010-11	2009-10		
LAMC	M.T.	24 980	18 801	9647.87	24 980	87624	138 309
	(Rs.)	445 232 069	221 421 411	169,802,530	445 232 069	165,960,4872	2 318 062 049
Coal	M.T.	20 679	66 604	423.92	20 679	13120	29 681
	(Rs.)	238 314 091	546 177 996	500,2256	238 314 091	213,743,011	384 365 065
Coal in Process	M.T.	1 796	1 296	549.68	1 796	-	-
	(Rs.)	14 275 091	10 108 800	769,5520	14 275 091	-	-
TOTAL	(Rs.)	697 821 251	777 708 207	182500306	697 821 251	1873347883	2 702 427 114

(c) Particulars of Raw Material consumed

(Amount in Rs.)

Description	2010-11		2009-10	
	Quantity M.T.	Value (Rs.)	Quantity M.T.	Value (Rs.)
Raw Coal	1,73,037	203,0744,072	1,68,010	2,200,285,534

(d) Other Additional Information

i) CIF Value of Imports: Raw Materials: Coal

(Amount in Rs.)

Description	2010-11	2009-10
Raw Materials	141,666,4400	57,76,23,100

ii) Value of Imported / Indigenous raw materials consumed

(Amount in Rs.)

Raw Materials	Current Year		Previous Year	
	Rupees	%	Rupees	%
Imported	141,666,4400	78.82	57,76,23,100	30.52
Indigenous	380,767,837	21.18	1,314,798,529	69.48
TOTAL	179,743,2237	100.00	1,892,421,629	100.00

14. 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 T.N. Datta & Associates
(Chartered Accountants)
sd/-

sd/-

sd/-

T.N. Datta
Proprietor
Membership No. 056676

Sunil Jawaharlal Mandloi
Managing Director

M.M. Damani
Executive Director

Place: Kolkata
Date: 03.09.2011

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	31.03.2011
3.	Date from which it became subsidiary	29.05.2008
4.	a) No of Shares held by Greenerth Resources & Projects Ltd. (Holding Company) in the subsidiary company	-----
	(b) Extent of interest of Holding Company At the end of the financial year of the Subsidiary Company	80%
5.	Net aggregate amount, so far as it concerns the members of Greenerth Resources & Projects Ltd.. and is not dealt with in the Company's accounts, of the Subsidiary's profits	
	(a) Profit/(loss) for the Subsidiary's previous financial year	(Rs. 25,500)
	(b) Profit/ (loss) for the previous financial years of the subsidiary since it became the subsidiary of Greenerth Resources & Projects Ltd..	(Rs. 25,500)
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 T.N. Datta & Associates
(Chartered Accountants)
sd/-

sd/-

sd/-

T.N. Datta
Proprietor
Membership No. 056676

Sunil Jawaharlal Mandloi
Managing Director

M.M. Damani
Executive Director

Place: Kolkata
Date: 03.09.2011

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.

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	31.12.2010
3.	Date from which it became subsidiary	12.03.2009
4.	a) No of Shares held by Greenearth Resources & Projects Ltd. (Holding Company) in the subsidiary company	2,18,67,000 Equity Shares of SGD 1 Each fully paid up.
	(b) Extent of interest of Holding Company At the end of the financial year of the Subsidiary Company	84.07%
5.	Net aggregate amount, so far as it concerns the members of Greenearth Resources & Projects Ltd. and is not dealt with in the Company's accounts, of the Subsidiary's profits	
	(a) Profit/(loss) for the Subsidiary's previous financial year	Rs. (3,39,362.16)
	(b) Profit/(loss) for the previous financial years of the subsidiary since it became the subsidiary of Green earth Resources & Projects Ltd.	Rs. (4,49,718.16)
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 T.N. Datta & Associates
(Chartered Accountants)

sd/-

sd/-

sd/-

T.N. Datta
Proprietor
Membership No. 056676

Sunil Jawaharlal Mandloi
Managing Director

M.M. Damani
Executive Director

Place: Kolkata
Date: 03.09.2011

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

17th 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 Friday, The 30th September, 2011 at 4:30 P.M. at O2 Hotel & Restaurant, Near Airport, Kaikhali, VIP Road, Kolkata 700 052.

Signed this..... day of, 2011



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

17th 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 Friday, The 30th September, 2011 at 4:30 P.M. at O2 Hotel & Restaurant, Near Airport, Kaikhali, Vip Road, Kolkata - 700 052

Signature of Member / Proxy

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

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