

# GREENEARTH Resources & Projects Ltd

(Formerly Known as Austral Coke & Projects Limited)



## Report

(For Fifteen months period ended on 31.03.2013)

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**19th Annual General Meeting will be held on  
MONDAY 30TH SEPTEMBER, 2013 AT 05.00 pm at  
O2 Hotel & Restaurant,  
Near Airport, Kaikhali, Vip Road, Kolkata - 700 052**

**Board of Directors**

Mr. Ratan Lal Tamakhuwala	Director
Mr. M. M. Damani	Managing Director
Mr. Sunil Jawaharlal Mandloi	Chairman

**Subsidiaries of Company**

Astra Mining Limitada  
Global Astra Pte Ltd

**Registered office**

Natural Nest, Flat No.6-C  
6<sup>th</sup> Floor, New Town, Rajarhat,  
Kolkata -700157 .  
Tel.No.: 033-40056750

**Bankers**

State Bank of India  
IDBI Bank Ltd.  
Bank of India

**Factory**

Surve No.352,353/1,353/2 Village Lunava,  
Taluka –Bhachau,Dist-kutch Gujarat  
E-mail :contact@greenearth.net.in  
Website:www.greenearth.net.in

**Auditor**

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

**Registrar and Transfer Agent**

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

## **Chairman's Message**

**Dear Shareholders,**

It's my proud and privilege to present the 19th Report of the Company for 15 (fifteen) months period ended on 31<sup>st</sup> March, 2013. This has been challenging Period – one that started with great promise and ended with lots of uncertainty and change. The total income of the Company is Rs 12253.78/- Lakhs and there is a loss of Rs 2824.97/- Lakhs.

We compliment Managing Director and his Associate 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 go for one time settlement with its creditors.

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/-

**Sunil Mandloi**

Chairman

## NOTICE

**NOTICE IS HEREBY GIVEN THAT THE 19TH ANNUAL GENERAL MEETING OF GREENEARTH RESOURCES & PROJECTS LIMITED WILL BE HELD ON MONDAY 30<sup>TH</sup> SEPTEMBER, 2013 AT 05.00 P.M. AT O2 HOTEL & RESTAURANT, NEAR AIRPORT, KAIKHALI, VIP ROAD, KOLKATA-700052 TO TRANSACT THE FOLLOWING BUSINESS: -**

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2013 and Profit and Loss Account for the period of 15 (fifteen) months ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint M/S M. Mukherjee & Associates as a Statutory Auditor of the Company to hold office from conclusion of this Annual General Meeting until conclusion of the next Annual General Meeting of the company and fix their Remuneration.
3. To appoint a Director in place of Mr. Ratan Lal Tamakhuwala, who retires by Rotation at the Annual General Meeting and being eligible, offers him for reappointment.
4. To appoint a Director in place of Mr. Sunil Mandloi, who retires by Rotation at the Annual General Meeting and being eligible, offers him for reappointment.
5. **Sale of share of subsidiary Company Including out of India:**

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

“RESOLVED THAT the board is hereby authorized to sell of company’s investment in Subsidiary companies equity shares including that of outside India.

**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 & Subjects to approval from the Share holders.

By Order of the Board of Directors

Sd/-

Place: Kolkata  
Date: September 3, 2013

**M.M. Damani**  
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 Natural Nest, Flat No.6-C ,6Th Floor, New Town, Rajarhat, Kolkata -700157 .
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 26.09.2013 to 30.09.2013 (both days inclusive).
5. Members (Those holding shares in the physical form only) are requested to inform the changes if any, in their registered address to the company's Share Transfer Agent.
6. For the convenience of the Members, an Attendance Slip is annexed to the Proxy Form. Members are requested to affix their signature at the space provided and fill up the particulars and hand over the attendance slip at the place of the Meeting.
7. Members desiring -any information on the Accounts are requested to write to the Company at least one week before the meeting so as to enable the Management to keep the information ready and replies will be provided at the meeting.

By Order of the Board of Directors

Sd/-

Place: Kolkata  
Date: September 3, 2013

**M.M. Damani**  
Managing Director

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

**Item No.1**

To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2013 and Profit and Loss Account for the period of 15 (fifteen) months ended on that date and the Reports of the Directors and Auditors thereon.

Your Directors recommends this resolution for your approval.

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

**Item No.2**

To appoint M/S M. Mukherjee & Associates as a Statutory Auditor of the Company to hold office from conclusion of this Annual General Meeting until conclusion of the next Annual General Meeting of the company and fix their Remuneration.

Your Directors recommends this resolution for your approval.

None of the Directors of the Company are interested in this resolution Except M/S M.Mukherjee & Associates chartered Accountant of the company.

**Item No.3**

To appoint a Director in place of Mr. Ratan Lal Tamakhuwala, who retires by Rotation at the Annual General Meeting and being eligible, offers him for reappointment.

Your Directors recommends this resolution for your approval.

None of the Directors of the Company except Ratan lal Tamakhuwala are interested in this resolution.

**Item No.4**

To appoint a Director in place of Mr. Sunil Mandloi, who retires by Rotation at the Annual General Meeting and being eligible, offers him for reappointment

Your Directors recommends this resolution for your approval.

None of the Directors of the Company except Sunil Mandloi are interested in this resolution.

**Item No.5** The Board of Directors has decided to sale to sell of company's investment in Subsidiary companies equity shares including that of outside India subjects to approval from share holders.

Your Directors recommends this resolution for your approval.

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

By Order of the Board of Directors

Sd/-

Place: Kolkata  
Date: September 3, 2013

**M.M. Damani**  
Managing Director

**DIRECTOR'S REPORT**

To,

The Members

Your Directors have pleasure in presenting their 19<sup>th</sup> Report for 15 months period starting from 01.01.2012 to 31.03.2013 on the business and operations of the company and the accounts for the 15 months period ended on 31<sup>st</sup> March, 2013.

**1. Performance of the Company:**

a) Revenue from operations: (Rs. In Lakhs)

Current Period (In Rs.)	Previous Period (In Rs.)
4698.89	1513.26

During the Period, almost all customer segments of the company saw a lower production level as compared to its optimum level.

During this Period, the turnover of Rs. 4698.89 Lakhs is much higher than previous period which is Rs. 1513.26 Lakhs.

PARTICULARS	Current Period 31.03.2013 (Rs.)	Previous Period 31.12.2011 (Rs.)
<b>I. Revenue From Operations</b>	<b>469,889,460</b>	<b>151,326,305</b>
<b>II. Cost of Sales</b>	<b>503,278,533</b>	<b>290,240,502</b>
<b>III. Gross profit (I-II)</b>	<b>(33,389,073)</b>	<b>(138,914,197)</b>
<b>IV. Operating expenses:</b>		
(1) Selling and marketing expenses	7,917,723	3,150,107
(2) Administrative expenses	771,700,416	661,917,379
(3) Depreciation and amortization of assets	224,911,399	1,107,579,210
(4) Foreign currency exchange gains(losses), net	-	-
<b>Total Operating Expenses</b>	<b>1,004,529,539</b>	<b>1,772,646,696</b>
<b>V. (1) Results from operating activities (III - IV)</b>	<b>(1,037,918,612)</b>	<b>(1,911,560,893)</b>
(2) Gains / (Loss) on sale of long-term investments	-	(962,891)
(3) Other Income	755,488,098	136,061,438
(4) Other expenses:		
(i) finance costs	66,308	61,113,843
(ii) Others	-	-
<b>VI. Income before income tax</b>	<b>(282,496,821)</b>	<b>(1,837,576,189)</b>
(1) Current Income Tax	-	-
(2) Deferred Tax Liability / (Asset)	-	(11,185,320)
<b>VII. Net Profit After Tax</b>	<b>(282,496,821)</b>	<b>(1,826,390,869)</b>
(3) Others		
<b>VIII. Profit for the period (VI-VII)</b>	<b>(282,496,821)</b>	<b>(1,826,390,869)</b>
<b>IX. Earnings per equity share:</b>		
(1) Basic	(0.97)	(6.29)



**b) Financial Restructuring:**

Referring the previous and current financial Period results, the entire net worth of the Company has got eroded. The accumulated losses of company during the reporting period is Rs. 419.58 crores (P.Y. Accumulated Loss Rs.391.33 crores) and has incurred a cash loss of Rs. 5.67 crores (P.Y. Cash loss Rs.72.91 crores) and as such company falls within the definition of "sick industrial company" within the meaning of section 3(1)(o) of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA). Consequently, for its rehabilitation, company's case is being pursued under the adjudication of Appellate Authority for Industrial and Financial Reconstruction (AAIFR).. Also, the company is under the process of continuous negotiations and one time settlement schemes with its bankers for revival of company. The management will take all possible steps for revival of the company.

**c. Dividend:**

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

**d. Term Deposits:**

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

**e. 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.

**f. Directors:**

Mr. Ratan Lal Tamakhuwala and Mr. Sunil Mandloi, Directors of the Company, retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting of the Company. The Board has accepted the resignation of Mr. Om Prakash Singh who was appointed as a Director of the Company w.e.f. 19.01.2012 And Resigned on 04.01.2013.

**g. 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 March 2013 and the profit / Loss of the Company for the period of 15 (fifteen) months ended on that date.
- 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 accounts for stated period on a going concern basis.

**h. Auditors**

M/S. M. Mukherjee & Associates, Chartered Accountants have been re-appointed to hold office as Auditors of the Company for the financial year 2012 – 2013 from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at the remuneration as may be decided upon by the board of directors.

**i. 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.

**j. 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: Kolkata  
Date: 03.09.2013

**M.M. Damani**  
Managing Director

**ANNEXURE TO DIRECTORS REPORT**

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

Particulars with respect to Conservation of Energy, Technology Absorption as per section 217(1)(e) of the Companies Act, 1956 read with Company's (Disclosure of particulars in the Board of Directors) Rule, 1988 for the period ended 31<sup>st</sup> March 2013 are annexed to this report.

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

**A. CONSERVATION OF ENERGY**

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

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

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

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

Foreign exchange earnings and outgo during the fifteen months period ended on 31.03.2013 are as under.

<b><u>PARTICULARS</u></b>	<b><u>Current Period</u></b> <b><u>31.03.2013</u></b>	<b><u>Previous Period</u></b> <b><u>31.03.2012</u></b>
Foreign Exchange Earnings	NIL	NIL
Foreign Exchange Outgo	NIL	NIL

By Order of the Board of Directors

Sd/-

Place: Kolkata  
Date: 03.09.2013

**M.M. Damani**  
Managing Director

**Management Discussion and 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\$250-300, 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\$350/tonne in the medium to long term.

<b>Particulars</b>	<b>As at 31.03.2013 (In Rs.)</b>	<b>As at 31.12.2011 (In Rs.)</b>
<b>Balance Sheet</b>		
a. Share Capital	29,02,96,040	29,02,96,040
b. Reserves and Surplus	3,04,68,33,350	3,04,68,33,350
c. Profit & Loss (debit)	(4,19,57,79,083)	(3,91,32,82,261)
d. Long Term Borrowings	42,79,05,970	42,79,05,970
e. Net Fixed Assets	1,19,57,18,178	1,42,57,06,845
f. Non-Current Investments	72,37,58,680	72,37,58,680
f. Net Current Assets	(2,17,28,16,128)	(2,12,11,62,515)
<b>Profit and Loss Account</b>		
1. Sales (Net of Return & Discount)	46,98,89,460	15,13,26,305
2. Increase/(Decrease) in Stocks	(3,16,08,827)	(11,72,56,055)
2. Other Income	75,54,88,098	13,60,61,438
3. Profit /(Loss) Before Interest, Depreciation and Tax	(5,75,85,422)	(72,99,96,979)
4. Net Profit After Tax	(28,24,96,821)	(1,82,63,90,869)
5. Earnings / (Loss) Per Share	(0.97)	(6.29)

### **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 unused structures, attracting investments for specific projects and diluting promoter's stake etc.

### **Human resource management**

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

### **Information Technology**

The Company is continuously working and concentrating on IT to get maximum benefit for the organization. The Company has been able to use a good ERP system successfully commensurate with its size and nature of business. 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 well-established legal set up by appointing various expertized legal, financial and tax consultants for ensuring compliance with all statutes which are applicable periodically to its operations/ventures. Any approvals or permissions related to specific operations are either handled by corporate legal cell or by the concerned department.

### **Cautionary Statement**

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

**CORPORATE GOVERNANCE**

**CORPORATE GOVERNANCE PHILOSOPHY**

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

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

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

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

**1. COMPOSITION OF BOARD OF DIRECTORS**

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

The composition of the Board is in accordance with the requirements of the corporate Governance code of Listing Agreement with the stock exchanges. The Board of Directors consists of optimal combination of Non-executive and Independent directors during the Period.

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

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

**a) Attendance of Board of Directors**

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

Sr. No.	Name of Director	Category*	Attendance	
			Board (Yes/No)	Last AGM (Yes/No)
1	Mr. Ratan Lal Tamkhuwala	Non Executive Director	Y	Y
2	Mr. M. M. Damani	Managing Director	Y	Y
3	Mr. Sunil Kumar Mandloi	Director	Y	Y
4	*Mr. OM Prakash singh	Director	Y	Y

**\* Mr. Omprakash Singh Was Appointed As a Director of the company W.e.f 19.01.2012 and resigned on 04.03.2013.**

**b) Board Procedure**

During the financial year 2012-2013, The Board of Directors met on the following dates: 15/05/2012, 14/08/2012, 10/11/2012, 14/02/2013. 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. May 13, 2011)
Mr. Ratan Lal Tamakhuwala	Member (appointed w.e.f. August 17, 2010)
Mr. M. M. Damani	Member (Appointed w.e.f. January 30, 2010)

- a) Audit committee comprises executive and non-executive directors as a member.
- b) Attendance at the audit committee meeting: The committee met Four times during the Period and quorum was present for every meeting.
- c) Dates of the Audit committee meeting held: Audit Committee meetings were held during the year on 15<sup>th</sup> May,2012, 14<sup>th</sup> August,2012, 10<sup>th</sup> November,2012 And 14<sup>th</sup> February, 2013.
- d) Chief Accounts Officer of our Company attends the Committee Meetings, Representatives of Statutory Auditors and Internal Auditors are invited to attend the meetings.
- e) Brief terms of reference:
  - i) Oversight of company's financial reporting process.
  - ii) Recommendation of appointment of external auditors and their remuneration.
  - iii) Review of quarterly, half yearly, annual and financial statements for the reported period of 15 (fifteen) months.
  - iv) Review of internal control system and internal audit function.

## GREENEARTH RESOURCES & PROJECTS LIMITED

- v) Management discussion and analysis of financial condition and results of operation.
- vi) Significant related party transactions.

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

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

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

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

Share/Debtenture Transfer and Investors' Grievance Committee meetings were held Audit Committee meetings were held during the year on 15<sup>th</sup> May,2012, 14<sup>th</sup> August,2012, 10<sup>th</sup> November,2012 And 14<sup>th</sup> February, 2013.

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	Director	NIL	NIL
Mr. M. M. Damani	Managing Director	NIL	NIL
Mr. Sunil Kumar Mandloi	Director	NIL	NIL

### INTEREST OF DIRECTORS

All Directors of our company may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a Committee thereof as well as to the extent of other remuneration, reimbursement of expenses payable to them under the Articles of Association of our company.

All our Directors may also be deemed to be interested to the extent of Equity Shares, if any, already held by them or their relatives in our company or that may be subscribed for and allotted to them and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

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

### DIRECTORS REMUNERATION/SITTING FEES FOR THE PERIOD ENDED ON 31<sup>ST</sup> March 2013:

Sr. No.	Name of Director	Remuneration/Sitting Fees
1	Mr.Sunil Kumar Mandloi	Rs.20000/-
2	Mr. Ratan Lal Tamkhuwala	Rs.20000/-
3	Mr. M. M. Damani	Rs. 682622/-
	<b>TOTAL</b>	<b>Rs.722622/-</b>

### GENERAL BODY MEETINGS:

Details of Last three Annual General Meetings are as follows:



## Report for Fifteen months period ended on 31.03.2013

AGM NO.	Date	Location	Time	No. of Special Resolution Passed
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*
18	February 13, 2012	O2 Hotels and Restaurants, Near Airport, Kaikhali, VIP Road, Kolkata - 700052	5.00 p.m.	1

\* A Special Resolution was 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

## GREENEARTH RESOURCES & PROJECTS LIMITED

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. Compliance Officer has been appointed 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 Report for 15 (fifteen) months period ended on 31<sup>st</sup> March, 2013.

### COMPANY'S CORPORATE WEBSITE

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

### GENERAL SHAREHOLDERS INFORMATION

<b>Registered Office of the Company</b>	Natural Nest, Flat No-6-C, 6TH Floor, New Town, Rajarhat, Kolkata-700157.
<b>19TH Annual General Meeting</b>	Greenearth Resources and Projects Limited
<b>Date</b>	30th September, 2013
<b>Time</b>	5.00 P.M.
<b>Venue</b>	O2 Hotel and Restaurant, Near Airport, Kaikhali, VIP Road, Kolkata – 700052.
<b>Date of Book Closure</b>	September 26, 2013 to September 30 <sup>th</sup> 2013 ( both days inclusive)

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

<b>SR. No.</b>	<b>Name of the Stock Exchange/ Date</b>	<b>Stock code</b>
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 2012-2013

Annual listing fees has been paid to BSE& NSE

**Report for Fifteen months period ended on 31.03.2013**

**Market Price Data – \*BSE**

Month	High Price	Low Price	Close Price	No. of Shares	Total Turnover (Rs.)
Jan-12	1.84	1.26	1.55	2921988	4665840
Feb-12	1.72	1.43	1.45	2651562	4245709
March-12	1.60	1.22	1.36	2441004	3403666
Apr-12	1.49	1.16	1.21	1362229	1765281
May-12	1.30	0.90	1.04	1786906	1979964
Jun-12	1.57	0.92	1.28	8405917	11444432
Jul-12	1.36	0.92	0.99	5618533	6584895
Aug-12	1.02	0.83	0.85	1691181	1590055
Sep-12	0.99	0.82	0.98	1788789	1633828
Oct-12	1.69	1.00	1.16	4144787	5791138
Nov-12	1.20	1.02	1.11	1810642	2002183
Dec-12	1.21	1.04	1.13	1668362	1873310
Jan-13	1.21	1.08	1.16	2883651	3327359
Feb-13	1.20	0.96	1.00	2288878	2583725
March-13	1.04	0.72	0.76	1679158	1472010

\* Price data of BSE are taken For the period of 15 months.

**Market Price Data – NSE\***

Month	High	Low	Volume (in Lacs)
Jan-12	1.60	1.50	1.358218
Feb-12	1.55	1.45	0.71141
March-12	1.35	1.25	2.264902
Apr-12	1.25	1.20	0.622271
May-12	1.10	1.00	0.76919
Jun-12	1.30	1.25	3.150899
Jul-12	1.00	0.95	0.71345
Aug-12	0.90	0.80	0.623443
Sep-12	1.00	0.90	3.960861
Oct-12	1.20	1.10	0.784423
Nov-12	1.15	1.05	1.388899
Dec-12	1.15	1.05	0.863568
Jan-1	1.20	1.15	0.729255
Feb-13	1.05	1.00	0.880986
March-13	0.80	0.75	1.272009

\* Price data of NSE are taken as on the last day of each month for the period of 15 months.

## GREENEARTH RESOURCES & PROJECTS LIMITED

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### Distribution of Shareholding

The shareholding distribution of Equity shares as on 31.03.2013 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 – 500	55080	51.2058	13612055	4.6890
501-1000	21809	20.2750	19592253	6.7491
1001-2000	13543	12.5904	22,410,959	7.7200
2001-3000	5119	4.7589	13639790	4.6986
3001-4000	2,493	2.3176	9208187	3.1720
4001-5000	2,740	2.5473	13254592	4.5659
5001-10000	3,854	3.5829	29477393	10.1543
10001 and above	2,928	2.7220	169100811	58.2512
<b>Total</b>	<b>107566</b>	<b>100.0000</b>	<b>290,296,040</b>	<b>100.0000</b>

#### REGISTRAR AND TRANSFER AGENTS:

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

#### PLANT LOCATIONS

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

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

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

The Board Members and the senior management Personnel have confirmed compliance with the Code of Conduct and Ethics for the period ended on 31<sup>st</sup> March, 2013, as provided under clause 49 of the Listing Agreements with the Stock Exchange.

**For Greearth Resources and Projects Limited**

Sd/-

Place: Kolkata  
Date: 03.09.2013

**M.M.Damani**  
Managing Director

**COMPLIANCE CERTIFICATE OF THE AUDITORS**

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

**Auditors Certificate on Corporate Governance**

To,

The Members,

Greenearth Resources and Projects limited

We have examined the compliance of conditions of corporate governance by Greenearth Resources and Projects Limited for the Period ended on 31st March, 2013, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchanges.

The compliance conditions of corporate governance are the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us:

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

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of

**M. Mukherjee & Associates**

Chartered Accountants

Sd/-

**M. M. Mukherjee**

(Proprietor)

M. No.015254

FRN: 326127E

Place: Kolkata

Date: 03.09.2013

## Independent Auditor's Report

To  
The Members of  
**Greenearth Resource & Projects Limited.**  
Kolkata.

We have audited the accompanying financial statements of **M/s. Greenearth Resources & Projects Limited** ("the Company"), which comprise the Balance Sheet as at **March 31, 2013**, and the Statement of Profit and Loss and Cash Flow Statement for the period of **15 (fifteen) months** then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, subject to our report as required under section 227(3) of the Act and annexure to our report:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Profit and Loss Account, of the profit/ loss for the 15 (fifteen) months ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the 15 (fifteen) months period ended on that date.
  1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
  2. Further to our comments in the Annexure referred to above, and as required by section 227(3) of the Act, 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 our audit, *except information and explanations read with auditors' report for the year ended 31.03.2010, 31.03.2011 and 9 months period ended on 31.12.2011;*
    - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
    - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
    - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

## GREENEARTH RESOURCES & PROJECTS LIMITED

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- e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.
- g. We further report that:
- *Provision of doubtful debts and Balances written off, as contained in Note 28 forming part of Balance Sheet and Profit & Loss Statement, the Company has provided for the debtors and Creditors, having consequential effect on the profit for the reporting period,*
  - *As per AS-28 impairment of asset, company has not made an independent assessment of any indicators that may lead to impairment of assets,*
  - *As per AS-22 Accounting for Taxes on Income, and Note 24 forming part of Balance Sheet and Profit & Loss Statement, company has not provided for deferred tax assets or liabilities that may arise on account of timing differences which are capable of reversal in one or more subsequent periods, using the tax rates and tax laws that are enacted or substantively enacted.*
  - *Under the relevant provision of Income Tax Act, 1961, read with Note 24 forming part of Balance Sheet and Profit & Loss Statement, DCIT Kolkata, has referred the valuation of Fixed Assets of company to the Valuation Office, New Delhi of Income Tax Department, in order to finalize block assessment case u/s. 153A / 143(3) of the said Act, hence certain timing differences may become permanent in nature.*
  - *The Accumulated losses of the Company is Rs. 419.58 crores (Previous period: Loss Rs.391.32 crores) and its net worth is negative Rs. 95.12 Crores (Previous period: Negative Rs.66.96 crores) as at the end of the reporting period which indicates erosion of Net worth of the Company. The Company can be termed as "SICK" within the meaning of clause (O) of sub section (1) of section 3 of the Sick Industrial Companies (Special Provision) Act, 1985. With regard to above, the Company's ability to continue as going concern is in doubt and will depend upon any revival programme by AAIFR/Government.*
  - *Company has not made any Provision for Interest on Working Capital Facility and Term Loan availed from Various Banks, the amounts not having been ascertained, as the same is not charged by Banks. This is because of classification of its account by the concerned Banks and Financial Institution as Non-performing Assets (NPA).*
  - *Company has received Notice u/s. 13(2) and Section 13(4) of Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (No.3 of 2002) dated 17<sup>th</sup> October, 2011 from its banker, as the operation of and conduct of the financial assistance / credit facilities have become irregular and company's debt with its bankers has been classified as Non-Performing Asset (NPA) as per the guidelines issued by RBI.*
  - *During the period under review, an inquiry before the office of SFIO is pending, as per Note 21.b forming part of Balance Sheet and Profit & Loss Statement.*
  - *Balances of Loans, Sundry Debtors, Loans and Advances and Current Liabilities, are subject to confirmation from the respective parties and reconciliations, if any.*

**For M. Mukherjee & Associates**

(Chartered Accountants)

FRN: 326127E

sd/-

**M. M. Mukherjee**

(Proprietor)

Membership No.: 015254

Place: Kolkata

Date: 03<sup>rd</sup> September, 2013



**ANNEXURE TO THE AUDITORS' REPORT**

**The Annexure referred to in paragraph 1 of the Our Report of even date to the members of Greearth Resources and Projects Limited on the accounts of the company for the fifteen (15) months period ended on 31<sup>st</sup> March, 2013.**

On the basis of such checks as we considered appropriate and on the basis of examination of records and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets *subject to the annexure to the Auditors Report for the year ended on 31.03.2010, 31.03.2011 and nine months period ended on 31.12.2011.*
  - (b) As explained to us, all fixed assets have not been physically verified by the management during the period but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
  - (c) In our opinion and according to the information and explanations given to us, certain unused bricks reported under the head capital work in progress has been disposed off during the reporting period however, it has no effect on the going concern assumption.
2. (a) As explained to us, inventories have been physically verified during the reporting period by the management at reasonable intervals.
  - (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 are reasonable and adequate in relation to the size of the company and the nature of its business.
  - (c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records *subject to the annexure to the Auditors Report for the year ended on 31.03.2010, 31.03.2011 and nine months period ended on 31.12.2011.*
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company had granted interest free unsecured loans, to companies and other parties listed in the register maintained under Section 301 of the Companies Act, 1956, repayable on call basis. The balances as at the close of the reporting period is Rs. 1.01 crores.

In our opinion, other terms and conditions on which the loans have been granted is prima facie, not prejudicial to the interest of the company. The said parties are regular in repayment of the loan and company is taking reasonable steps to recover the same.
- (b) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company had taken interest free unsecured loans from companies, and other parties listed in the register maintained under Section 301 of the Companies Act, 1956, repayable on call basis. The balances as at the close of the reporting period is Rs. 17.74 crores.

In our opinion, the other terms and conditions on which the loans have been taken is prima facie, not prejudicial to the interest of the company. The Company, in our opinion, is taking reasonable steps for repayment of the aforesaid loans.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
  - (b) As per information & explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act have been made at reasonable prices having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.

## GREENEARTH RESOURCES & PROJECTS LIMITED

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7. As per information & explanations given by the management, the Company has internal audit system commensurate with its size and the nature of its business.
8. The Company is not required to maintain cost records under section 209(1) (d) of the Companies Act, 1956.
9. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31<sup>st</sup> of March, 2013 for a period of more than six months from the date they became payable *except income tax and sales tax*.
10. The Company has accumulated loss of Rs. 419.58 crores (Previous period loss Rs.391.33 crores) and has incurred cash loss of Rs. 5.67 Crores during the reporting period covered by our audit and cash loss of Rs. 72.91 crores in the immediately preceding reporting period. The Company may be classified as sick Company within the meaning of section 3(1)(o) of SICA, as its case is being pursued with AAIFR, New Delhi.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has defaulted in repayment of dues to a financial institutions and banks. In this pursuance, company has motioned one time settlement schemes to its bankers.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. According to information and explanations given to us, the Company is not dealing or trading in Shares, Securities, Debentures, Mutual funds & other Investments. Therefore, the requirements of clause 4(xiv) of the order relating to the maintenance of the proper records of the transactions are not applicable.
15. According to the information and explanations given to us, the Company has given guarantees for loan taken by others from a bank or financial institution. 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.
16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the reporting period.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31<sup>st</sup> March, 2013, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the reporting period.
19. The Company has not issued any secured debentures during the period, hence the question of creation of security or charge in respect of debenture issued does not apply.
20. The Company has not raised any money by public issue during the reporting period.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported by the company during the period under review, nor have we been informed of such case by the management.

**For M. Mukherjee & Associates**

(Chartered Accountants)

FRN: 326127E

sd/-

**M. M. Mukherjee**

(Proprietor)

Membership No.: 015254

Place: Kolkata

Date: 03<sup>rd</sup> September, 2013

**PART I - BALANCE SHEET**  
**BALANCE SHEET AS AT MARCH 31st, 2013** (Amt. in Rs.)

PARTICULARS	NOTE	Current Period 31.03.2013	Previous Period 31.12.2011
<b>I. EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS FUNDS:</b>			
(a) Share Capital	1	290,296,040	290,296,040
(b) Reserves & Surplus	2	(1,148,945,733)	(866,448,911)
<b>SHARE APPLICATION MONEY</b>			
		-	-
<b>NON-CURRENT LIABILITIES:</b>			
(a) Long-term borrowings	3	427,905,970	427,905,970
(b) Deferred tax Liabilities (Net)		270,004,227	270,004,228
(c) Long-term Provisions		-	-
<b>CURRENT LIABILITIES:</b>			
(a) Short-term borrowings	4	2,278,863,382	2,130,355,737
(b) Trade payables	5	256,280,935	1,092,905,453
(c) Other current Liabilities	6	438,765,377	155,580,688
(d) Short-term provision	7	98,343,572	98,343,572
<b>TOTAL</b>		<b><u>2,911,513,769</u></b>	<b><u>3,598,942,777</u></b>
<b>II. ASSETS</b>			
<b>Non-Current assets:</b>			
<b>(a) fixed assets</b>			
(i) Tangible assets	8	1,124,198,103	1,349,186,770
(ii) Intangible assets		-	-
(iii) Capital Work-in-progress		71,520,075	76,520,075
(iv) Intangible assets under development			
(b) Non-current investment	9	723,758,680	723,758,680
(c) Deferred tax assets(Net)		-	-
(d) Long-term loans and advances		-	-
(e) Other non-current assets		-	-
<b>Current assets:</b>			
(a) Current Investments		-	-
(b) Inventories	10	38,782,691	70,391,518
(c) Trade receivables	11	98,138,526	809,925,608
(d) Cash and cash equivalents	12	34,066,176	40,321,741
(e) Short-term loans and advances	13	384,748,534	374,933,578
(f) Other Current assets	14	436,300,986	153,904,807
<b>TOTAL</b>		<b><u>2,911,513,769</u></b>	<b><u>3,598,942,777</u></b>
Summary of significant accounting policies	20		
Notes to Accounts	21 to 41		
The accompanying notes are an integral part of the financial statements.			

As Per our Report of even date attached.

**For M. Mukherjee & Associates**

(Chartered Accountants)

Firm Regn. No. 326127E

**For and on Behalf of Board**

sd/-

sd/-

sd/-

**(M.M. Mukherjee)**

Proprietor

Membership No. 015254

**(M.M. Damani)**

Managing Director

**(Sunil Mandloi)**

Director

Place: Kolkata

**Date:** 03rd September, 2013

**PART II - STATEMENT OF PROFIT AND LOSS**  
**PROFIT & LOSS STATEMENT FOR THE FIFTEEN**  
**(15) MONTHS PERIOD ENDED ON MARCH 31st, 2013**

PARTICULARS	NOTE	Current Period 31.03.2013	Previous Period 31.12.2011
<b>I. Revenue From Operations</b>		<b>469,889,460</b>	<b>151,326,305</b>
II. Cost of Sales	15	503,278,533	290,240,502
<b>III. Gross profit (I-II)</b>		<b>(33,389,073)</b>	<b>(138,914,197)</b>
<b>IV. Operating expenses:</b>			
(1) Selling and marketing expenses	16	7,917,723	3,150,107
(2) Administrative expenses	17	771,700,416	661,917,379
(3) Depreciation and amortization of assets		224,911,399	1,107,579,210
(4) Foreign currency exchange gains(losses), net		-	-
<b>Total Operating Expenses</b>		<b>1,004,529,539</b>	<b>1,772,646,696</b>
<b>V. (1) Results from operating activities (III - IV)</b>		<b>(1,037,918,612)</b>	<b>(1,911,560,893)</b>
(2) Gains / (Loss) on sale of long-term investments		-	(962,891)
(3) Other Income	18	755,488,098	136,061,438
(4) Other expenses:			
(i) finance costs	19	66,308	61,113,843
(ii) Others		-	-
<b>VI. Income before income tax</b>		<b>(282,496,821)</b>	<b>(1,837,576,189)</b>
(1) Current Income Tax		-	-
(2) Deferred Tax Liability / (Asset)		-	(11,185,320)
<b>VII. Net Profit After Tax</b>		<b>(282,496,821)</b>	<b>(1,826,390,869)</b>
(3) Others		-	-
<b>VIII. Profit for the period (VI-VII)</b>		<b>(282,496,821)</b>	<b>(1,826,390,869)</b>
<b>IX. Earnings per equity share:</b>			
(1) Basic		<b>(0.97)</b>	<b>(6.29)</b>
(2) Diluted			

Summary of significant accounting policies 20

Notes to Accounts 21 to 41

The accompanying notes are an integral part of the financial statements

As Per our Report of even date attached.

**For M.Mukherjee & Associates**

(Chartered Accountants)

Firm Regn. No. 326127E

**For and on Behalf of Board**

sd/-

sd/-

sd/-

**(M. M. Mukherjee)**

Proprietor

Membership No. 015254

**(M.M. Damani)**

Managing Director

**(Sunil Mandloi)**

Director

Place: Kolkata

**Date:** 03rd September, 2013

**CASH FLOW STATEMENT FOR THE FIFTEEN  
MONTHS PERIOD ENDED 31 MARCH, 2013**  
PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT.

PARTICULARS	15 months period ended 31.03.2013 (Rs.)	9 months period ended 31.12.2011 (Rs)
<b>A. CASH FROM OPERATING ACTIVITIES</b>		
Net Profit before extra ordinary items and Tax	(282,496,821)	(1,837,576,188)
<b>Adjustment for:</b>		
Depreciation	224,911,399	154,392,782
Preliminary Expenses written off	854,540	875,033
Finance Cost debited to Profit and loss account	66,308	61,113,843
Non-Operating Items - (Dividend Income)	(2,985)	(2,146)
Loss on sale of Assets(Net)	-	962,891
Loss/ (Profit) on Insurance claim recd on car theft	(212,943)	-
Interest Credit to Profit and Loss Account	(151,565)	(2,666,411)
<b>Operating Profit Before Working Capital Changes</b>	<b>(57,032,067)</b>	<b>(1,622,900,196)</b>
<b>Adjustment for:</b>		
(Increase)/Decrease in Trade and other Receivables	711,787,084	1,536,571,146
(Increase)/Decrease in Inventories	31,608,827	117,256,055
(Increase)/Decrease in other Current Assets	(293,065,677)	806,972,872
Increase/(Decrease) Current Liabilities and Provisions	(404,932,185)	(1,613,403,868)
<b>Cash Generated From Other Operations</b>	<b>(11,634,014)</b>	<b>(775,503,991)</b>
<b>Cash Flow Before Extraordinary Items</b>	<b>(11,634,014)</b>	<b>(775,503,991)</b>
Extraordinary Items (Impairment Loss)	-	953,186,427
<b>Net Cash From Operating Activities (A)</b>	<b>(11,634,014)</b>	<b>177,682,436</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed asset	(24,289)	-
Interest & Dividend received	154,550	2,668,557
Investment Sold	-	4,037,102
Insurance Claim received on car theft	314,500	-
Sale of Fixed Assets	5,000,000	-
<b>Net Cash Used in Investing activities (B)</b>	<b>5,444,761</b>	<b>6,705,659</b>
<b>C. CASH FROM FINANCING ACTIVITY</b>		
Proceeds from Borrowings	-	(233,358,872)
Interest paid	-	(61,113,843)
Finance Cost	(66,308)	-
<b>Net Cash Used in Financing Activities (C)</b>	<b>(66,308)</b>	<b>(294,472,715)</b>
<b>Net Increase in Cash and Cash Equivalents (A)+(B)+(C)</b>	<b>(6,255,561)</b>	<b>(110,084,620)</b>
Cash & Cash Equivalents (Opening Balance)	40,321,740	150,406,360
<b>Cash &amp; Cash Equivalents (Closing Balance)</b>	<b>34,066,176</b>	<b>40,321,740</b>

Note: The cash flow statement has been prepared as per the indirect method as set out in AS-3 Cash flow statement - prescribed in the Companies (Accounting Standards) Rules, 2006. The figures in bracket indicates negative sign.

As Per our Report of even date attached.

**For M. Mukherjee & Associates**

(Chartered Accountants)

Firm Regn. No. 326127E

sd/-

**(M. M. Mukherjee)**

Proprietor

Membership No. 015254

Place: Kolkata

Date: 03rd September, 2013

**For and on Behalf of Board**

sd/-

**(M.M. Damani)**  
Managing Director

sd/-

**(Sunil Mandloi)**  
Director

**GREENEARTH RESOURCES & PROJECTS LIMITED****NOTE FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS STATEMENT**  
(Amt. in Rs.)

<b>PARTICULARS</b>	<b>Current Period 31.03.2013</b>	<b>Previous Period 31.12.2011</b>
<b>NOTE - 1: SHARE CAPITAL</b>		
<b>AUTHORISED SHARE CAPITAL</b>		
50,00,00,000 Equity share (Previous Period: 50,00,00,000) of Rs. 1/- each	<u>50,00,00,000</u>	<u>50,00,00,000</u>
<b>ISSUED, SUBSCRIBED &amp; PAID-UP CAPITAL</b>		
29,02,96,040 Equity Shares at Rs.1/- each fully paid up. (Previous Period: 29,02,96,040)	<u>290,296,040</u>	<u>290,296,040</u>
<b>NOTE - 2 : RESERVE &amp; SURPLUS</b>		
<b>Profit &amp; Loss Account</b>	(282,496,821)	(1,826,390,869)
<i>(Balance as per Profit &amp; Loss Account)</i>		
Add: Profit brought forward	<u>(3,913,282,262)</u>	<u>(2,086,891,392)</u>
	<b>(4,195,779,083)</b>	<b>(3,913,282,261)</b>
Add: Share Premium A/c	<u>3,046,833,350</u>	<u>3,046,833,350</u>
	<b>(1,148,945,733)</b>	<b>(866,448,911)</b>
<b>NOTE - 3 : LONG-TERM BORROWINGS</b>		
Secured Loan (Term Loan)	<b>427,905,970</b>	<b>427,905,970</b>
<b>NOTE - 4 : SHORT-TERM BORROWINGS</b>		
a. Working capital from Banks	2,101,401,981	2,103,203,813
b. Advances received from Intercompany	<u>177,461,401</u>	<u>27,151,924</u>
	<b>2,278,863,382</b>	<b>2,130,355,737</b>
<b>NOTE - 5 : TRADE PAYABLES</b>		
Sundry Creditors	<b>256,280,935</b>	<b>1,092,905,453</b>

**Report for Fifteen months period ended on 31.03.2013**

**NOTE FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS STATEMENT  
(Amt. in Rs.)**

PARTICULARS	Current Period 31.03.2013	Previous Period 31.12.2011
<b>NOTE - 6 : OTHER CURRENT LIABILITIES</b>		
a. Outstanding Liabilities	8,301,485	28,458,666
b. Duties & Taxes	430,430,083	127,088,213
c. Unpaid/Unclaimed dividend	33,809	33,809
	<b>438,765,377</b>	<b>155,580,688</b>

**NOTE - 7 : SHORT-TERM PROVISION**

Provision for Income Tax	<b>98,343,572</b>	<b>98,343,572</b>
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**NOTE - 8**

**FIXED ASSETS AS ON 31.03.2013**

**(Amt. in Rs.)**

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	AS ON 31.12.2011	ADDITIONS	AS ON 31.03.13	UPTO 31.12.2011	FOR 15 Months	Adj. during the period	UPTO 31.03.13	AS ON 31.03.2013	AS ON 31.12.2011
LAND	45,881,399	-	45,881,399	-	-	-	-	45,881,399	45,881,399
BUILDING	66,692,090	-	66,692,090	26,710,032	4,997,757	-	31,707,789	34,984,301	39,982,058
PLANT & MACHINERY	2,254,450,357	24,289	2,254,474,646	993,627,432	219,227,557	-	1,212,854,989	1,041,619,657	1,260,822,925
OFFICE EQUIPMENTS	322,807	-	322,807	319,943	1,432	-	321,375	1,432	2,864
COMPUTERS	1,978,989	-	1,978,989	1,875,301	51,844	-	1,927,145	51,844	103,688
FURNITURE AND FIXTURES	5,656,284	-	5,656,284	4,394,045	285,582	-	4,679,627	976,657	1,262,239
VEHICLES	4,640,063	(581,400)	4,058,663	3,508,466	347,228	(479,843)	3,375,850	682,813	1,131,597
<b>SUB-TOTAL</b>	<b>2,379,621,989</b>	<b>(557,111)</b>	<b>2,379,064,878</b>	<b>1,030,435,219</b>	<b>224,911,399</b>	<b>(479,843)</b>	<b>1,254,866,775</b>	<b>1,124,198,103</b>	<b>1,349,186,770</b>
CAPITAL W.I.P.	76,520,075	(5,000,000)	71,520,075	-	-	-	-	71,520,075	76,520,075
<b>TOTAL</b>	<b>2,456,142,064</b>	<b>(5,557,111)</b>	<b>2,450,584,953</b>	<b>1,030,435,219</b>	<b>224,911,399</b>	<b>(479,843)</b>	<b>1,254,866,775</b>	<b>1,195,718,178</b>	<b>1,425,706,845</b>
PREVIOUS PERIOD	3,820,728,851	(1,364,586,787)	2,456,142,064	1,287,442,798	154,392,783	953,186,427	2,209,707,781	1,425,706,848	2,533,286,052

**GREENEARTH RESOURCES & PROJECTS LIMITED**

**NOTE FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS STATEMENT**  
(Amt. in Rs.)

PARTICULARS	Current Period 31.03.2013	Previous Period 31.12.2011
<b>NOTE - 9 : NON-CURRENT INVESTMENTS</b>		
<b>a) Quoted - At Cost</b>		
50,000 units of SBI Capital Protection Oriented Fund (Market Value : Rs. 11.6431 Per Unit )	500,000	500,000
<b>b) Unquoted - At Cost</b>		
64,300 Eq. Sh. of M/s Industrial Lamcoke Projects Ltd.	643,000	643,000
<b>c) Unquoted - At Cost</b>		
Astra Mining Limitada	1,415,680	1,415,680
<b>d) Unquoted - At Cost</b>		
2,18,67,000 Equity Shares @ SGD 1of Global Astra Pte Ltd.	721,200,000	721,200,000
	<b>723,758,680</b>	<b>723,758,680</b>

**NOTE - 10 : INVENTORIES**

(valued at lower of Cost or Net Realisable value)

a. Raw Materials	22,943,102	5,547,860
b. Stock in Process	4,567,189	3,373,000
c. Finished Goods	10,339,276	60,537,534
d. Stores, spares & consumables	933,124	933,124
	<b>38,782,691</b>	<b>70,391,518</b>

**NOTE - 11 : TRADE RECEIVABLES**

( Unsecured, considered good)

a. Debts due for period more than 6 months	789,673,453	2,239,093,832
b. Other Debts	24,743,661	52,639,083
<b>Total Debtors</b>	<b>814,417,114</b>	<b>2,291,732,915</b>
Less: Provision for Doubtful Debts	716,278,588	1,481,807,307
<b>Sundry Debtors (Net)</b>	<b>98,138,526</b>	<b>809,925,608</b>



**NOTE FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS STATEMENT**  
(Amt. in Rs.)

PARTICULARS	Current Period 31.03.2013	Previous Period 31.12.2011
<b>NOTE - 12 : CASH &amp; CASH EQUIVALENTS</b>		
a. Cash in hand	275,447	107,364
<b>b. Balance with schedule Banks :</b>		
i. On Current Accounts	24,675,929	29,412,017
ii. On Fixed Deposits	9,114,800	10,802,360
	<u><b>34,066,176</b></u>	<u><b>40,321,741</b></u>
<b>NOTE - 13 : SHORT-TERM LOANS &amp; ADVANCES</b>		
a. Advance Recoverable in cash or in kind	69,735,034	69,708,445
b. Loans & Advances	315,013,500	305,225,133
	<u><b>384,748,534</b></u>	<u><b>374,933,578</b></u>
<b>NOTE - 14 : OTHER CURRENT ASSETS</b>		
a. Sundry Deposits	13,270,315	12,639,115
b. Other Receivables	33,718	-
c. Duties & Taxes	282,257,476	-
d. Advance Tax (Incl. Tax Deducted at Source)	48,139,700	47,811,377
	<u><b>343,701,210</b></u>	<u><b>60,450,492</b></u>
e. Preliminary Exp.	93,454,316	94,329,348
Less: Written off during the period	854,540	875,033
	<u><b>92,599,776</b></u>	<u><b>93,454,315</b></u>
	<u><b>436,300,986</b></u>	<u><b>153,904,807</b></u>

**GREENEARTH RESOURCES & PROJECTS LIMITED****NOTE FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS STATEMENT**  
(Amt. in Rs.)

<b>PARTICULARS</b>	<b>Current Period 31.03.2013</b>	<b>Previous Period 31.12.2011</b>
<b>NOTE - 15 : COST OF SALES</b>		
a. Purchases	432,410,794	139,652,388
b. Stores consumed	5,311,045	3,509,344
c. Power, fuel and water charges	8,040,357	5,323,812
d. Repairs and maintenance expenses	3,842,910	5,489,630
e. Labour transportation & Port charges	18,688,738	17,269,282
f. Vehicle operation & maintenance expenses	3,375,861	1,739,991
g. (Increase)/Decrease in Stocks	31,608,827	117,256,055
	<b>503,278,533</b>	<b>290,240,502</b>

**NOTE - 16 : SELLING & MARKETING EXPENSES**

a. Advertisement and sales promotion expenses	3,695,575	1,001,088
b. Telecommunication charges	573,232	337,735
c. Travelling & Conveyance expenses	3,648,916	1,811,284
	<b>7,917,723</b>	<b>3,150,107</b>

**NOTE - 17 : ADMINISTRATIVE EXPENSES**

a. Audit Fees	50,000	50,000
b. Salary and Wages Expenses	8,994,031	14,416,489
c. Printing & Stationery	655,928	491,779
d. Electricity Expenses	153,819	106,538
e. Staff Welfare Expenses	647,871	388,486
f. Postage, Courier Expenses	914,635	877,664
g. Rent, Rates, Taxes & Insurance Expenses	8,128,293	3,006,017
h. Directors Remuneration	682,622	-
i. Legal & Professional Charges	7,270,881	6,474,411
j. Provision for Doubtful Debts	716,278,588	633,474,407
k. General Expenses	529,122	1,265,179
l. Directors Sitting Fees	40,000	-
m. Computer Expenses	94,601	189,927
n. Misc. Balance written off	26,382,534	301,449
o. Preliminary expenses written off	854,540	875,033
p. Other Interest	22,951	-
	<b>771,700,416</b>	<b>661,917,379</b>

**NOTE FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS STATEMENT**  
(Amt. in Rs.)

PARTICULARS	Current Period 31.03.2013	Previous Period 31.12.2011
<b><u>NOTE - 18 : OTHER INCOME</u></b>		
a. Interest reversal on Term Loan	-	133,392,881
b. Interest earned on Fixed Deposits	150,705	2,666,411
c. Interest earned	302,270	-
d. Dividend Income	2,985	2,146
e. Sale of Scrap	3,310,870	-
f. Insurance Claim Car	212,943	-
g. Bad Debts recovered	42,084	-
h. Balances written off	751,145,702	-
i. Other Income	320,539	-
	<u><b>755,488,098</b></u>	<u><b>136,061,438</b></u>

**NOTE - 19 : FINANCE COST**

a. Bank & Finance Charges	66,308	61,113,843
	<u><b>66,308</b></u>	<u><b>61,113,843</b></u>

**SIGNIFICANT ACCOUNTING POLICIES and NOTES ON ACCOUNTS:**

**NOTE – 20: SIGNIFICANT ACCOUNTING POLICIES**

**20.1 Basis of Preparation of Financial Statements:**

- (a) The financial statements are prepared in accordance with Generally Accepted Accounting Principles (Indian GAAP) under the historical cost convention on accrual basis and on principles of going concern. The accounting policies are consistently applied by the Company except where otherwise stated.
- (b) The financial statements are prepared to comply in all material respects with the accounting standards notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.
- (c) The preparation of the financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known / materialized.
- (d) During the financial period ended on 31st March, 2013; figures related to previous financial periods had been presented on the basis of regenerated and /or reconstructed records prepared on the basis of bank statements, residuary information and on the basis of management representations due to the accidental loss of financials and other records while shifting of books of accounts, office documents and furniture from Corporate office (Mumbai) to Registered office (Kolkata).

**20.2 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.

**20.3 Impairment of Assets:**

The company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belong is less than its carrying amount, the carrying amount is reduced to its recoverable amount. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

**20.4 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. However, when there is a decline in investment other than temporary, in the value of long term investment, the carrying value is reduced. Accordingly, each long term investment is carried at cost less provision for other than temporary diminution in the value.

**20.5 Foreign Currency Transactions:**

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

**20.6 Inventories**

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

**20.7 Revenue Recognition:**

- a. 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.
- b. 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 shown at net of sales return, discounts and rebates.
- c. Interest -Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable
- d. Dividends - Revenue is recognized as and when received.

**20.8 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.

**20.9 Borrowing Cost:**

Interest and other borrowing cost on specific borrowings, relatable to qualifying assets are capitalized 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.

**20.10 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 outstanding during the period.

## GREENEARTH RESOURCES & PROJECTS LIMITED

### 20.11 Taxes on Income:

Tax expense comprises of current tax, and deferred tax.

- (a) Current income 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 recognized, using the tax rates and tax laws that are enacted or substantively enacted. Deferred tax asset is recognized only to the extent there is reasonable certainty with respect to reversal of the same in future years as a matter of prudence.

### 20.12 Provisions, Contingent Liabilities and Contingent Assets:

- a. A provision is recognized 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.

### 20.13 Miscellaneous Expenditure:

Miscellaneous expenditure is written off to the profit and loss account, 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.

## NOTES TO ACCOUNTS:

### NOTE - 21: Contingent liabilities:

- a. Corporate Guarantee given on behalf of Associate/Group Companies as on Balance Sheet date is aggregating to Rs. 389.03/-crores approx., details of which has been tabulated below:

(Rs. In crores)

Sr. No.	For Company/Bank	—Sanctioned Credit Facility—			
		Term Loan	LC & BG	CC	Total Rs.
I.	<b>Sancia Global Infraprojects Limited:</b>				
	a. State Bank of India	14.50	24.40	10.00	48.90
	b. Bank of India	93.88	20.00	5.00	118.88
II.	<b>Newsaw Infraprojects Limited:</b>				
	a. State Bank of India	13.75	18.00	7.50	39.25
	b. State Bank of Hyderabad	15.00	-	-	15.00
III.	<b>Sancia Infraglobal Private Limited:</b>				
	a. Indian Overseas Bank	100.00	-	-	100.00
	b. Punjab National Bank	67.00	-	-	67.00
	<b>Total Rs.</b>	<b>304.13</b>	<b>62.40</b>	<b>22.50</b>	<b>389.03</b>

## Report for Fifteen months period ended on 31.03.2013

- b. During the reporting period, proceedings of SFIO is pending before its adjudication. Also, finalization of case filed by SFIO, bearing CC No. 30694/12 for violation of section 215 read with section 218 of the companies act, 1956, CC No.30696/12 for violation of section 372A of companies act, 1956, and CC No. 30695/12 for violation of sub-section (1) of section 383A of the companies Act, 1956 is imminent before the office of Chief Metropolitan Magistrate, Kolkata. Since the liability is not materialized yet, hence no provision regarding the same has been made in the books of accounts, however the management is under the process of filing a compounding application before 10<sup>th</sup> Metropolitan Magistrate Court, Kolkata.
- c. On 02<sup>nd</sup> July, 2012, M/s. Aum Saw Pipe and Industries Private Limited has filed an Arbitration Petition (L) No.994 of 2013, with the Hon'ble Bombay High Court before the lordship of Mr. Justice Ranjit More, to obtain control over the current management of company in pursuance to the open offer place by M/s. Aum Saw Pipe & Industries Private Limited before the shareholders of company however, the matter is still under dispute and the board of directors do not anticipate any monetary demands against the same. Company has already intimated about termination of open offer to Bombay Stock Exchange.
- d. Other contingent liabilities as may arise on account of non or delayed compliance of certain fiscal statutes – Amount Unascertainable (Previous period-Amount Unascertainable).

### NOTE - 22: Secured Loans: Term Loan

- a. Term Loan I, II & III from State Bank of India is secured by the following:
  - i. First charge on entire assets created out of bank finance (Refractory and coke manufacturing units at village Lunva, Gujarat) and entire current assets of the company, present and future
  - ii. Second Pari-passu charge on entire fixed assets of the company
  - iii. First pari-passu charge over commercial land at Bachhau, Village Lunva, Gujarat
  - iv. First charge on the commercial land at village lunva, commercial land at Silvassa, residential premises at Goregaon (Mumbai), office premises at Andheri (w) Mumbai.
  - v. Personal guarantee of the Chairman & Managing Director of the company
- b. Term Loan from Bank of India is secured by the following:
  - i. 1st Pari Passu Charge on Land at village Lunva, Gujarat
  - ii. 1st Pari Passu Charge on movable plant & machinery, furniture & fixture etc. created out of the bank finance on factory land and building.
- c. Term Loan from State Bank of Indore has been fully repaid by the company, and the respective charges / liens of bank on the immovable asset (residential premises at Andheri of director) secured for such purpose, have been relinquished.

### Working Capital & Letter of Credit:

Working Capital & Letter of Credit facility from State Bank of Indore which has been ***taken over by State Bank of India*** is secured by the following:

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

## **GREENEARTH RESOURCES & PROJECTS LIMITED**

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- b. 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
- c. 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:**

- a. Entire current assets of the company, present and future
- b. Second Pari-passu charge on entire fixed assets of the company
- c. First pari-passu charge over commercial land at Bachhau, Village Lunva, Gujarat
- d. First charge on the commercial land at village lunva, commercial land at Silvassa, premises at Goregaon (Mumbai), office premises at Andheri (w) Mumbai.
- e. 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:**

- a. 1st Pari-passu charge on the current assets of the company with working capital lenders.
- b. Pledge of term deposit receipts
- c. Collaterally secured by 2nd Pari Passu charge on entire movable plant and machinery of the company
- d. 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
- e. Personal guarantee of the Chairman & Managing Director of the company.

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

- a. Primarily secured by first pari passu charge on the entire current assets of the company.
- b. Collaterally secured by second pari passu charge on entire fixed assets.
- c. Personal guarantee of the Chairman & Managing Director of the company

**NOTE - 23: Provision for Interest and other expenses:** Provision of Interest on Term Loans and Working Capital Loans has not been recognized during the period, as bankers has classified company's account as Non-Performing Asset (NPA) and company has motioned one time-settlement schemes to bankers at various point of time. However, necessary provisions have been made for all known liabilities at the end of the year which are adequate in management's opinion.

### **NOTE – 24: Deferred Tax Asset / Liability:**

During the reporting period, the valuation of fixed assets of company is under progression with the office of Income Tax Valuation Department, Delhi, as referred by DCIT, Kolkata, in order to finalize block assessment under section 153A/143(3) of Income Tax Act, 1961, which may have substantial effect on the carrying value of fixed assets shown in the balance sheet, due to which certain timing differences may become permanent in nature. Hence, pending assessment with the income tax authorities and in order to circumvent complexity in accounts, ***no provision has been made during the reporting period in respect of deferred tax asset or liability as per AS-22.***



## Report for Fifteen months period ended on 31.03.2013

However, considering effect of provisional assessment made by Assessing Officer, Kolkata and pending outcome of valuation with Valuation officer of Income Tax Department, Components of Deferred Tax Liability as per AS-22, and "Accounting for Taxes on Income" shall be as follows:

(Rs. In Lakhs)

Particulars	As at 31.12.2011	Charge/credit for the period	As at 31.03.2013
a. Deferred Tax Liability	3463.25	2158.24	5621.49
b. Deferred Tax Asset	763.21	-	763.21
<b>Net Deferred Tax Liability (a-b)</b>	<b>2700.04</b>	<b>2158.24</b>	<b>4858.28</b>

**NOTE- 25:** 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.

### **NOTE – 26: Managerial remuneration:**

Managing Directors – Salary including other benefits for fifteen months period Rs.6,82,622/- (Previous period: Nil)

**NOTE – 27:** Balances appearing under the head of Investments, Loans, Sundry Debtors, Sundry Creditors, Loans & Advances and deposits are subject to confirmations, reconciliation and adjustments, if any.

**NOTE – 28:** In the opinion of the Board of Directors, the Sundry Debtors, Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount stated in the Balance Sheet after providing for necessary provisions in respect of doubtful and / or disputed balances thereof amounting to Rs. 71.63 crores (P.Y. Rs.148.18 crores). These balances are under various stages of negotiations and follow-up. Company is not confident of recovery of these amounts. During the reporting period, recovery litigations are pending before the court of law against disputed parties recoverable as sundry debtors and loans and advances. Also, Company has written off certain creditors and payables amounting to Rs. 75.11 crores (P.Y. 84.83 crores) shown under the head 'Other Income', having consequential effect on profit for the reporting period.

**NOTE – 29:** The accumulated losses of company during the reporting period is Rs. 419.58 crores (P.Y. Accumulated Loss Rs.391.33 crores) and has incurred a cash loss of Rs. 5.67 crores (P.Y. Cash loss Rs.72.91 crores) and as such company falls within the definition of "sick industrial company" within the meaning of section 3(1)(o) of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA). Consequently, for its rehabilitation, company's case is being pursued under the adjudication of Appellate Authority for Industrial and Financial Reconstruction (AAIFR).

**NOTE - 30:** As at the end of reporting period, the foreign Subsidiaries of the Company i.e., Global Astra Pte Ltd., (84.07% holding) and Astra Mining LDA, (80.00% holding) has accumulated heavy losses due to expiration of Mining License, and doubtful recovery of certain advances. This may affect the assumption of "Going Concern" of Subsidiary Companies, however, board of director has decided not to provide for diminution in value of Investments in subsidiary, as the said Investment is long-term in nature.

### **NOTE – 31: Segment Reporting (AS -17):**

The Company has two primary segments i.e., "Coke" and "Refractory". The summary of revenue generated and capital employed thereon has been tabulated below:

**GREENEARTH RESOURCES & PROJECTS LIMITED***(Rs. In Lakhs)*

Particulars	Coal/Coke		Refractory	
	31.03.2013	31.12.2011	31.03.2013	31.12.2011
Segment Revenue	4689.36	1654.84	9.54	36.85
Net Profit before tax	(2695.29)	(17409.24)	(127.06)	(76.94)
Capital Employed	(2801.65)	(6447.93)	(164.35)	(348.76)

**NOTE – 32: Related Party Disclosures:****Key Managerial Personnel of the company:**

Sr. No.	Name of Managerial Personnel	Nature of Relationship
1	Mr. Ratanlal Tamakhuwala	Promoter/Director
2	Mr. Sunil Jawaharlal Mandloi	Director
3	Mr. Mehmood Mohammedali Damani	Managing Director

**Enterprises under the control of Key Managerial Personnel:**

- Sancia Global Infraprojects Limited
- Newsaw Infraprojects Limited
- Sancia Infraglobal Private Limited

**Subsidiary Companies:**

- Global Astra Pte Ltd., Singapore.
- Astra Mining Limitada, Mozambique.

**Following transactions were carried out in the ordinary course of business with the parties during the reporting period referred above:**

*(Rs. In Lakhs)*

Particulars	Enterprise of which the company is an associate	Key Management Personnel	Enterprise in which key management personnel has significant influence
Remuneration or Sitting Fess paid / provided	-	7.22	-
Purchase	-	-	-
Corporate Guarantee	-	-	38903.00
Loans and Advances: Taken during the period	-	35.00	102.24
Loans and Advances: Given during the period	-	0.10	156.77

**Report for Fifteen months period ended on 31.03.2013**

**NOTE – 33:** No adjustment is considered necessary in respect of appreciation/erosion in the book value of investments as the said investments are of long-term nature.

**NOTE – 34:** Interest payable to suppliers on delayed payments is being accounted for only after acceptance of such claims by the Company.

**NOTE – 35:** No provision for gratuity has been made since no employee has yet put in qualifying number of years of service.

**NOTE – 36:** Inventory as at the close of the year is carried as taken, valued and certified by the management.

**NOTE – 37: Computation of Earnings Per Share (AS-20): (Basic and Diluted)**

*(Rs. In Lakhs)*

Particulars	Period ended 31.03.2013	Period ended 31.12.2011
Amounts used as numerator in calculating Basic EPS (Rs.)	(2,824.96)	(18,263.91)
No. of Equity Shares used as denominator (Nos.)	29,02,96,040	29,02,96,040
Nominal value per Equity Share (Rs.)	1 rupee	1 rupee
Earnings/(Loss) Per Share (Basic and Diluted) (Rs.)	(0.97)	(6.29)

**NOTE – 38: Auditors' Remuneration includes:**

*(Rs. In Lakhs)*

Particulars	Current Period (Rs.)	Previous Period (Rs.)
a. Audit Fees	0.50	0.50
<b>Total</b>	<b>0.50</b>	<b>0.50</b>

**Note:** Figures shown above are exclusive of service tax.

**NOTE – 39:** 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	
		Period ended on 31.03.2013	Period ended on 31.12.2011	Period ended on 31.03.2013	Period ended on 31.12.2011
Low-Ash Metallurgical Coke (F.G.)	M.T.	3,75,000 per annum	3,75,000 per annum	23598.41	26535.24

**(b) Particulars of Sales and Stock:**

Description	Units	Period ended on 31.03.2013		Period ended on 31.12.2011	
		LAMC (F.G.)	Coal (R.M.)	LAMC (F.G.)	Coal (R.M.)
Opening stock	M.T.	8191.01	683.22	9647.87	423.92
	Rs.	5,97,35,000	31,59,400	169,802,530	5,002,256
Closing stock	M.T.	941.32	1916.23	8191.006	683.22
	Rs.	99,52,797	2,05,54,642	59,735,000	3,159,400
*Sales/Transfer to Production	M.T.	30848.1	38689.2	27992.1	34631
	Rs.	32,61,64,207	-	148,467,831	-

**GREENEARTH RESOURCES & PROJECTS LIMITED**

*Note: During the period under review, sales has been shown at average cost for comparison at same level.*

**(c) Particulars of Raw Material Consumed:**

Description	Period ended on 31.03.2013		Period ended on 31.12.2011	
	Qty. (M.T.)	Value Rs.	Qty. (M.T.)	Value Rs.
Raw Coal	38689.20	41,50,03,834	26535.200	31,31,15,360

**(d) Other Additional Information:**

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

Description	Period ended on 31.03.2013	Period ended on 31.12.2011
Raw Materials	Nil	Nil

## ii) Value of Imported / Indigenous Raw Materials: Coal

Raw Materials	Period ended on 31.03.2013		Period ended on 31.12.2012	
	Rs.	%	Rs.	%
Imported	Nil	0.00	Nil	0.00
Indigenous	43,24,10,794	100.00	14,45,01,940	100.00
<b>Total</b>	<b>43,24,10,794</b>	<b>100.00</b>	<b>14,45,01,940</b>	<b>100.00</b>

**NOTE - 40:** Previous figures have been re-grouped, re-classified and rearranged wherever considered necessary.

**NOTE – 41: BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:**

**Registration Details**

Registration No.	63008	State Code	21
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**Capital raised during the year (Rs. In Lakhs)**

Public Issue	-	Right Issue	-
Bonus Issue	-	Private Placement	-

**Position of Mobilisation and Development of Funds (Rs. In Lakhs)**

Total Liabilities	29,115.14	Total Assets	29,115.14
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**Sources of Funds**

Paid up share capital	2,902.96
Reserve and Surplus	(11,489.46)
Secured Loan	25,293.08
Unsecured Loan	1,774.61
Deferred Tax Liability	2,700.04

**Application of Funds**

Net Fixed Assets	11,957.18
Investments	7,237.59
Net Current Assets	(21,728.16)
Miscellaneous Expenditure	926

**Performance of Company:**

Turnover / Total Revenue	12,253.78	Total Expenditure	15,078.74
Profit Before Tax	(2,824.97)	Profit After Tax	(2,824.97)
Earnings per share	(0.97)	Dividend Rate%	-

**Generic Names of Three Principal Products / Services of the company**

*(as per monetary terms)*

Product Description	Coal, Coke and Refractories
Item Code (ITC Code)	2704 0030
Service Description	—

As Per our Report of even date attached.

**For M. Mukherjee & Associates**

(Chartered Accountants)  
Firm Regn. No. 326127E

**For and on Behalf of Board**

sd/-

**(M.M. Mukherjee)**

Proprietor  
Membership No. 015254

sd/-

**(M.M. Damani)**

Managing Director

sd/-

**(Sunil Mandloi)**

Director

Place: Kolkata

**Date:** 03rd September, 2013

**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 Limited

Kolkata,

We have examined the attached Consolidated Balance Sheet of **Greenearth Resources & Projects Ltd.** and its subsidiaries as at **31st March, 2013**. The Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement for the **fifteen months period** ended as 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 fifteen months period ended on 31st March, 2013. These financial statements have to be 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 prepared for the fifteen months period ended on 31st March, 2013.

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, 2013;
- b) in the case of the Consolidated Profit and Loss Account, of the consolidated results of operations of the Company and its subsidiaries for the period ended on that date; and
- c) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the Company and its subsidiaries for the period ended on that date.

**For M. Mukherjee & Associates**

(Chartered Accountants)

FRN: 326127E

sd/-

**M.M. Mukherjee**

(Proprietor)

Membership No.: 015254

Place: Kolkata

Date: 03<sup>rd</sup> September, 2013

**PART I - CONSOLIDATED BALANCE SHEET****CONSOLIDATED BALANCE SHEET AS AT MARCH 31st, 2013***(Amt. in Rs.)*

PARTICULARS	NOTE	Consolidated Rs. 31.03.2013	Consolidated Rs. 31.12.2011
<b>I. EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS FUNDS:</b>			
(a) Share Capital	1	290,296,040	290,296,040
(b) Reserves & Surplus	2	(1,875,653,619)	(929,712,717)
<b>SHARE APPLICATION MONEY</b>			
		-	-
<b>MINORITY INTEREST</b>			
		-	27,757,792
<b>NON-CURRENT LIABILITIES:</b>			
(a) Long-term borrowings	3	427,905,970	427,905,970
(b) Deferred tax Liabilities (Net)		270,004,227	270,004,228
(c) Long-term Provisions		-	-
<b>CURRENT LIABILITIES:</b>			
(a) Short-term borrowings	4	2,278,863,382	2,130,355,737
(b) Trade payables	5	256,280,935	1,122,691,489
(c) Other current Liabilities	6	444,928,196	155,580,685
(d) Short-term provision	7	98,343,572	98,343,572
<b>TOTAL</b>		<b><u>2,190,968,702</u></b>	<b><u>3,593,222,796</u></b>
<b>II. ASSETS</b>			
<b>Non-Current assets:</b>			
<b>(a) fixed assets</b>			
(i) Tangible assets	8	1,124,198,103	1,349,186,769
(ii) Intangible assets		-	-
(iii) Capital Work-in-progress		71,520,075	76,520,075
(iv) Intangible assets under development		-	-
(b) Non-current investment	9	1,143,000	1,143,000
(c) Deferred tax assets(Net)		-	-
(d) Long-term loans and advances		-	-
(e) Other non-current assets		-	-
<b>Current assets:</b>			
(a) Current Investments		-	-
(b) Inventories	10	38,782,691	70,391,518
(c) Trade receivables	11	98,138,526	809,925,608
(d) Cash and cash equivalents	12	35,625,743	42,764,630
(e) Short-term loans and advances	13	385,259,579	1,089,386,389
(f) Other Current assets	14	436,300,986	153,904,807
<b>TOTAL</b>		<b><u>2,190,968,702</u></b>	<b><u>3,593,222,796</u></b>
Summary of significant accounting policies	20		
Notes to Accounts	21 to 37		
The accompanying notes are an integral part of the financial statements.			

As Per our Report of even date attached.

**For M. Mukherjee & Associates**

(Chartered Accountants)

Firm Regn. No. 326127E

sd/-

**(M. M. Mukherjee)**

Proprietor

Membership No. 015254

Place: Kolkata

Date: 03rd September, 2013

**For and on Behalf of Board**

sd/-

**(M.M. Damani)**

Managing Director

sd/-

**(Sunil Mandloi)**

Director

**PART II - CONSOLIDATED STATEMENT OF PROFIT AND LOSS**

**CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE FIFTEEN (15)  
MONTHS PERIOD ENDED MARCH 31st, 2013**

PARTICULARS	NOTE	Consolidated Rs. 31.03.2013	Consolidated Rs. 31.12.2011
<b>I. Revenue From Operations</b>		<b>469,889,460</b>	<b>151,326,305</b>
II. Cost of Sales	15	503,278,533	290,240,501
<b>III. Gross profit (I-II)</b>		<b>(33,389,073)</b>	<b>(138,914,197)</b>
<b>IV. Operating expenses:</b>			
(1) Selling and marketing expenses	16	7,917,723	3,150,107
(2) Administrative expenses	17	1,378,976,967	2,133,675,659
(3) Depreciation and amortization of assets		224,911,399	1,112,435,358
(4) Foreign currency exchange gains(losses), net		-	-
<b>Total Operating Expenses</b>		<b>1,611,806,090</b>	<b>3,249,261,124</b>
<b>V. (1) Results from operating activities (III - IV)</b>		<b>(1,645,195,162)</b>	<b>(3,388,175,321)</b>
(2) Gains / (Loss) on sale of long-term investments		-	(962,891)
(3) Other Income	18	755,488,098	136,061,438
(4) Other expenses:			
(i) finance costs	19	67,404	61,136,442
(ii) Others		-	-
<b>VI. Income before income tax</b>		<b>(889,774,468)</b>	<b>(3,314,213,215)</b>
(1) Current Income Tax		-	-
(2) Deferred Tax Liability / (Asset)		-	(11,185,320)
<b>VII. Net Profit After Tax</b>		<b>(889,774,468)</b>	<b>(3,303,027,896)</b>
(3) Others			
<b>VIII. Profit for the period (VI-VII)</b>		<b>(889,774,468)</b>	<b>(3,303,027,896)</b>
<b>IX. Earnings per equity share:</b>			
(1) Basic		<b>(3.07)</b>	<b>(11.38)</b>
(2) Diluted			

Summary of significant accounting policies 20

Notes to accounts 21 to 37

The accompanying notes are an integral part of the financial statements

As Per our Report of even date attached.

**For M. Mukherjee & Associates**

(Chartered Accountants)

Firm Regn. No. 326127E

sd/-

**(M. M. Mukherjee)**

Proprietor

Membership No. 015254

Place: Kolkata

Date: 03rd September, 2013

**For and on Behalf of Board**

sd/-

**(M.M. Damani)**

Managing Director

sd/-

**(Sunil Mandloi)**

Director



**CONSOLIDATED CASH FLOW STATEMENT FOR THE FIFTEEN MONTHS  
PERIOD ENDED 31 MARCH, 2013**

PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT.

PARTICULARS	15 months period ended 31.03.2013 (Rs.)	9 months period ended 31.12.2011 (Rs)
<b>A. CASH FROM OPERATING ACTIVITIES</b>		
Net Profit before extra ordinary items and Tax	(889,774,468)	(3,314,213,215)
<b>Adjustment for:</b>		
Depreciation	224,911,399	154,392,782
Preliminary Expenses written off	854,540	875,033
Finance Cost debited to Profit and loss account	67,404	61,136,442
Non-Operating Items - (Dividend Income)	(2,985)	(2,146)
Loss on sale of Assets(Net)	-	962,891
Loss/ (Profit) on Insurance claim recd on car theft	(212,943)	-
Interest Credit to Profit and Loss Account	(452,976)	(2,666,411)
Foreign Currency Translation Reserve	31,160,522	120,192,067
<b>Operating Profit Before Working Capital Changes</b>	<b>(633,449,506)</b>	<b>(2,979,322,557)</b>
<b>Adjustment for:</b>		
(Increase)/Decrease in Trade and other Receivables	711,787,082	1,536,571,146
(Increase)/Decrease in Inventories	31,608,827	117,256,055
(Increase)/Decrease in other Current Assets	420,876,090	670,680,237
Increase/(Decrease) Current Liabilities and Provisions	(456,313,190)	(1,590,506,853)
<b>Cash Generated From Other Operations</b>	<b>74,509,305</b>	<b>(2,245,321,972)</b>
<b>Cash Flow Before Extraordinary Items</b>	<b>74,509,305</b>	<b>(2,245,321,972)</b>
Extraordinary Items (Refer Note 24)	(87,326,959)	2,423,149,466
<b>Net Cash From Operating Activities (A)</b>	<b>(12,817,654)</b>	<b>177,827,494</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed asset	(24,289)	-
Interest & Dividend received	455,961	2,668,557
Investment Sold	-	4,037,102
Insurance Claim received on car theft	314,500	-
Sale of Fixed Assets	5,000,000	-
<b>Net Cash Used in Investing activities (B)</b>	<b>5,746,172</b>	<b>6,705,659</b>
<b>C. CASH FROM FINANCING ACTIVITY</b>		
Proceeds from Borrowings	-	(233,358,872)
Interest paid	-	(61,136,442)
Finance Cost	(67,404)	-
<b>Net Cash Used in Financing Activities (C)</b>	<b>(67,404)</b>	<b>(294,495,314)</b>
<b>Net Increase in Cash and Cash Equivalents (A)+(B)+(C)</b>	<b>(7,138,887)</b>	<b>(109,962,161)</b>
Cash & Cash Equivalents (Opening Balance)	42,764,630	152,726,791
<b>Cash &amp; Cash Equivalents (Closing Balance)</b>	<b>35,625,743</b>	<b>42,764,630</b>

Note: The cash flow statement has been prepared under the indirect method as set out in AS-3 Cash flow statement - prescribed in the Companies (Accounting Standards) Rules, 2006. The figures in bracket indicates negative sign.

As Per our Report of even date attached.

**For M. Mukherjee & Associates**

(Chartered Accountants)

Firm Regn. No. 326127E

sd/-

**(M. M. Mukherjee)**

Proprietor

Membership No. 015254

Place: Kolkata

Date: 03rd September, 2013

**For and on Behalf of Board**

sd/-

**(M.M. Damani)**

Managing Director

sd/-

**(Sunil Mandloi)**

Director

**GREENEARTH RESOURCES & PROJECTS LIMITED****NOTE FORMING PART OF CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS STATEMENT**

<b>PARTICULARS</b>	<b>Consolidated Rs. 31.03.2013</b>	<b>Consolidated Rs. 31.12.2011</b>
<b>NOTE - 1 : SHARE CAPITAL</b>		
<b>AUTHORISED SHARE CAPITAL</b>		
50,00,00,000 Equity share of Rs. 1/- each	500,000,000	500,000,000
<b>ISSUED, SUBSCRIBED &amp; PAID-UP CAPITAL</b>		
29,02,96,040 Equity Shares at Rs.1/- each fully paid up.	<b>290,296,040</b>	<b>290,296,040</b>
<b>NOTE - 2 : RESERVE &amp; SURPLUS</b>		
<b>Profit &amp; Loss Account</b>	(889,774,468)	(3,303,027,896)
<i>(Balance as per Profit &amp; Loss Account)</i>		
Add: Profit brought forward	(5,391,037,114)	(2,088,009,218)
	<b>(6,280,811,582)</b>	<b>(5,391,037,114)</b>
Add: Share Premium A/c	3,046,833,350	3,046,833,350
Add: Capital Reserve / (Goodwill) on consolidation	808,964,621	896,291,576
Add: Foreign Currency Translation Reserve	549,359,993	518,199,471
	<b>(1,875,653,618)</b>	<b>(929,712,717)</b>
<b>NOTE - 3 : LONG-TERM BORROWINGS</b>		
Secured Loan (Term Loan)	<b>427,905,970</b>	<b>427,905,970</b>
<b>NOTE - 4 : SHORT-TERM BORROWINGS</b>		
a. Working capital from Banks	2,101,401,981	2,103,203,813
b. Advances received from Intercompany	177,461,401	27,151,924
	<b>2,278,863,382</b>	<b>2,130,355,737</b>
<b>NOTE - 5 : TRADE PAYABLES</b>		
Sundry Creditors	<b>256,280,935</b>	<b>1,122,691,489</b>

**Report for Fifteen months period ended on 31.03.2013**

**NOTE FORMING PART OF CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS STATEMENT**

PARTICULARS	Consolidated Rs. 31.03.2013	Consolidated Rs. 31.12.2011
<b>NOTE - 6 : OTHER CURRENT LIABILITIES</b>		
a. Outstanding Liabilities	14,464,304	28,458,663
b. Duties & Taxes	430,430,083	127,088,213
c. Unpaid/Unclaimed dividend	33,809	33,809
	<b>444,928,196</b>	<b>155,580,685</b>

**NOTE - 7 : SHORT-TERM PROVISION**

Provision for Income Tax	<b>98,343,572</b>	<b>98,343,572</b>
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**NOTE - 8**

**CONSOLIDATED FIXED ASSETS AS ON 31.03.2013**

*(Amt. in Rs.)*

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	AS ON 31.12.2011	ADDITIONS	AS ON 31.03.13	UPTO 31.12.2011	FOR 15 Months	Adj. during the period	UPTO 31.03.13	AS ON 31.03.2013	AS ON 31.12.2011
LAND	45,881,399	-	45,881,399	-	-	-	-	45,881,399	45,881,399
BUILDING	66,692,090	-	66,692,090	26,710,032	4,997,757	-	31,707,789	34,984,301	39,982,058
PLANT & MACHINERY	2,254,450,357	24,289	2,254,474,646	993,627,432	219,227,557	-	1,212,854,989	1,041,619,657	1,260,822,925
OFFICE EQUIPMENTS	322,807	-	322,807	319,943	1,432	-	321,375	1,432	2,864
COMPUTERS	1,978,989	-	1,978,989	1,875,301	51,844	-	1,927,145	51,844	103,688
FURNITURE AND FIXTURES	5,656,284	-	5,656,284	4,394,045	285,582	-	4,679,627	976,657	1,262,239
VEHICLES	4,640,063	(581,400)	4,058,663	3,508,466	347,228	(479,843)	3,375,850	682,813	1,131,597
<b>SUB-TOTAL</b>	<b>2,379,621,989</b>	<b>(557,111)</b>	<b>2,379,064,878</b>	<b>1,030,435,219</b>	<b>224,911,399</b>	<b>(479,843)</b>	<b>1,254,866,775</b>	<b>1,124,198,103</b>	<b>1,349,186,770</b>
CAPITAL W.I.P.	76,520,075	(5,000,000)	71,520,075	-	-	-	-	71,520,075	76,520,075
<b>TOTAL</b>	<b>2,456,142,064</b>	<b>(5,557,111)</b>	<b>2,450,584,953</b>	<b>1,030,435,219</b>	<b>224,911,399</b>	<b>(479,843)</b>	<b>1,254,866,775</b>	<b>1,195,718,178</b>	<b>1,425,706,845</b>
PREVIOUS PERIOD	5,570,772,457	(3,114,630,393)	2,456,142,064	1,287,442,798	154,392,782	2,703,230,033	2,209,707,781	1,425,706,844	428,329,659

**GREENEARTH RESOURCES & PROJECTS LIMITED****NOTE FORMING PART OF CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS STATEMENT**

<b>PARTICULARS</b>	<b>Consolidated Rs. 31.03.2013</b>	<b>Consolidated Rs. 31.12.2011</b>
<b>NOTE - 9 : NON-CURRENT INVESTMENTS</b>		
<b>a) Quoted - At Cost</b>		
50,000 units of SBI Capital Protection Oriented Fund (Market Value : Rs. 11.6431 Per Unit )	500,000	500,000
<b>b) Unquoted - At Cost</b>		
64,300 Eq. Sh. of M/s Industrial Lamcoke Projects Ltd.	643,000	643,000
	<b>1,143,000</b>	<b>1,143,000</b>

**NOTE - 10 : INVENTORIES***(valued at lower of Cost or Net Realisable value)*

a. Raw Materials	22,943,102	5,547,860
b. Stock in Process	4,567,189	3,373,000
c. Finished Goods	10,339,276	60,537,534
d. Stores, spares & consumables	933,124	933,124
	<b>38,782,691</b>	<b>70,391,518</b>

**NOTE - 11 : TRADE RECEIVABLES***( Unsecured, considered good)*

a. Debts due for period more than 6 months	789,673,453	2,239,093,832
b. Other Debts	24,743,661	52,639,083
<b>Total Debtors</b>	<b>814,417,114</b>	<b>2,291,732,915</b>
Less: Provision for Doubtful Debts	716,278,588	1,481,807,307
<b>Sundry Debtors (Net)</b>	<b>98,138,526</b>	<b>809,925,608</b>

**NOTE FORMING PART OF CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS STATEMENT**

PARTICULARS	Consolidated Rs. 31.03.2013	Consolidated Rs. 31.12.2011
<b>NOTE - 12 : CASH &amp; CASH EQUIVALENTS</b>		
a. Cash in hand	1,761,770	611,328
<b>b. Balance with schedule Banks :</b>		
i. On Current Accounts	24,749,173	31,350,942
ii. On Fixed Deposits	9,114,800	10,802,360
	<b>35,625,743</b>	<b>42,764,630</b>
<b>NOTE - 13 : SHORT-TERM LOANS &amp; ADVANCES</b>		
a. Advance Recoverable in cash or in kind	69,735,035	784,161,258
b. Loans & Advances	315,524,544	305,225,131
	<b>385,259,579</b>	<b>1,089,386,389</b>
<b>NOTE - 14 : OTHER CURRENT ASSETS</b>		
a. Sundry Deposits	13,270,315	12,639,115
b. Other Receivables	33,718	-
c. Duties & Taxes	282,257,476	-
d. Advance Tax (Incl. Tax Deducted at Source)	48,139,700	47,811,377
	<b>343,701,210</b>	<b>60,450,492</b>
e. Preliminary Exp.	93,454,316	94,329,348
Less: Written off during the period	854,540	875,033
	<b>92,599,776</b>	<b>93,454,315</b>
	<b>436,300,986</b>	<b>153,904,807</b>

**GREENEARTH RESOURCES & PROJECTS LIMITED****NOTE FORMING PART OF CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS STATEMENT**

<b>PARTICULARS</b>	<b>Consolidated Rs. 31.03.2013</b>	<b>Consolidated Rs. 31.12.2011</b>
<b>NOTE - 15 : COST OF SALES</b>		
a. Purchases	432,410,794	139,652,388
b. Stores consumed	5,311,045	3,509,344
c. Power, fuel and water charges	8,040,357	5,323,812
d. Repairs and maintenance expenses	3,842,910	5,489,630
e. Labour transportation & Port charges	18,688,738	17,269,282
f. Vehicle operation & maintenance expenses	3,375,861	1,739,991
g. (Increase)/Decrease in Stocks	31,608,827	117,256,055
	<b>503,278,533</b>	<b>290,240,501</b>

**NOTE - 16 : SELLING & MARKETING EXPENSES**

a. Advertisement and sales promotion expenses	3,695,575	1,001,088
b. Telecommunication charges	573,232	337,735
c. Travelling & Conveyance expenses	3,648,916	1,811,284
	<b>7,917,723</b>	<b>3,150,107</b>

**NOTE - 17 : ADMINISTRATIVE EXPENSES**

a. Audit Fees	119,181	138,947
b. Salary and Wages Expenses	8,994,031	14,416,489
c. Printing & Stationery	655,928	491,779
d. Electricity Expenses	153,819	106,538
e. Staff Welfare Expenses	647,871	388,486
f. Postage, Courier Expenses	914,635	877,664
g. Rent, Rates, Taxes & Insurance Expenses	8,128,293	3,006,017
h. Directors Remuneration	682,622	73,787
i. Legal & Professional Charges	7,271,630	6,474,411
j. Provision for Doubtful Debts/Advances	1,323,388,206	633,474,407
k. General Expenses	626,125	1,269,819
l. Directors Sitting Fees	40,000	-
m. Computer Expenses	94,601	189,927
n. Misc. Balance written off	26,382,534	301,449
o. Preliminary expenses written off	854,540	875,033
p. Other Interest	22,951	-
q. Mining License written off	-	1,471,590,906
	<b>1,378,976,967</b>	<b>2,133,675,659</b>

**NOTE FORMING PART OF CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS STATEMENT**

<b>PARTICULARS</b>	<b>Consolidated Rs. 31.03.2013</b>	<b>Consolidated Rs. 31.12.2011</b>
<b>NOTE - 18 : OTHER INCOME</b>		
a. Interest reversal on Term Loan	-	133,392,881
b. Interest earned on Fixed Deposits	150,705	2,666,411
c. Interest earned	302,270	-
d. Dividend Income	2,985	2,146
e. Sale of Scrap	3,310,870	-
f. Insurance Claim Car	212,943	-
g. Bad Debts recovered	42,084	-
h. Balances written off	751,145,702	-
i. Other Income	320,539	-
	<b>755,488,098</b>	<b>136,061,438</b>
<b>NOTE - 19 : FINANCE COST</b>		
a. Bank & Finance Charges	67,404	61,136,442

## GREENEARTH RESOURCES & PROJECTS LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2013 AND CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIOD ENDED ON THAT DATE:

### NOTE – 20: SIGNIFICANT ACCOUNTING POLICIES

#### 20.1 Basis of Consolidation:

- a. The consolidated financial statements relate to Greenearth Resources & Projects Ltd. and its subsidiaries Global Astra Pte. Ltd., Singapore and Astra Mining Lda., Mozambique.
- b. The consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 issued by Institute of Chartered Accountants of India:
  - i. The financial statements of the Company and its subsidiary have been combined on a line to line basis by adding together like items of assets, liabilities, income and expenses
  - ii. Intergroup balances, intergroup transactions and resulting unrealized profits /losses have been eliminated in full
  - iii. Figures pertaining to the subsidiary have been reclassified to bring them in line with parent Company's financial statements.
  - iv. In consonance with AS 21 and generally accepted reporting norms an unaudited financial statement of its subsidiary Global Astra Pte Ltd. Singapore & Astra Mining Lda, Mozambique for the period ended 31st March, 2013 has been consolidated with the holding company.

#### 20.2 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 period ended on 31st March, 2013; figures in respect of holding company, related to previous financial periods had been presented on the basis of regenerated and / or reconstructed records prepared on the basis of bank statements, residuary information and on the basis of management representations due to the accidental loss of financials and other records while shifting of books of accounts, office documents and furniture from Corporate office (Mumbai) to Registered office (Kolkata).

#### 20.3 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.

#### 20.4 Impairment of Assets:

The company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belong is less than its carrying amount, the carrying amount is reduced to its recoverable amount. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

#### 20.5 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. However, when there is a decline in investment other than temporary, in the value of long term investment, the carrying value is reduced. Accordingly, each long term investment is carried at cost less provision for other than temporary diminution in the value.



**20.6 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 period in which they arise.
- d. Forward Exchange Contracts –The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of foreign exchange contract is recognized as income or expense for the period.

**20.7 Inventories**

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

**20.8 Revenue Recognition:**

- a. 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.
- b. 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 shown at net of sales return, discounts and rebates.
- c. Interest -Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- d. Dividends - Revenue is recognized as and when received.

**20.9 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 period.

**20.10 Borrowing Cost:**

Interest and other borrowing cost on specific borrowings, relating to qualifying assets are capitalized 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.

**20.11 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 outstanding during the period.

**20.12 Taxes on Income:**

Tax expense comprises of current tax, and deferred tax.

- (a) Current income 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 recognized, using the tax rates and tax laws that are enacted or substantively enacted. Deferred tax asset is recognized only to the extent there is reasonable certainty with respect to reversal of the same in future years as a matter of prudence.

**20.13 Provisions, Contingent Liabilities and Contingent Assets:**

- a. A provision is recognized 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.

**20.14 Miscellaneous Expenditure:**

Miscellaneous expenditure is written off to the profit and loss account, 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.

**NOTES TO ACCOUNTS:**

**NOTE – 21: Contingent liabilities:**

- a. Corporate Guarantee given on behalf of Associate/Group Companies as on Balance Sheet date is aggregating to Rs. 389.03crores approx., details of which has been tabulated below:

(Rs. In crores)

Sr. No.	For Company/Bank	—Sanctioned Credit Facility—			
		Term Loan	LC & BG	CC	Total Rs.
I.	<b>Sancia Global Infraprojects Limited:</b>				
	a. State Bank of India	14.50	24.40	10.00	48.90
	b. Bank of India	93.88	20.00	5.00	118.88
II.	<b>Newsaw Infraprojects Limited:</b>				
	a. State Bank of India	13.75	18.00	7.50	39.25
	b. State Bank of Hyderabad	15.00	-	-	15.00
III.	<b>Sancia Infraglobal Private Limited:</b>				
	a. Indian Overseas Bank	100.00	-	-	100.00
	b. Punjab National Bank	67.00	-	-	67.00
	<b>Total Rs.</b>	<b>304.13</b>	<b>62.40</b>	<b>22.50</b>	<b>389.03</b>

- b. During the reporting period, proceedings of SFIO is pending before its adjudication. Also, finalization of case filed by SFIO, bearing CC No. 30694/12 for violation of section 215 read with section 218 of the companies act, 1956, CC No.30696/12 for violation of section 372A of companies act, 1956, and CC No. 30695/12 for violation of sub-section (1) of section 383A of the companies Act, 1956 is imminent before the office of Chief Metropolitan Magistrate, Kolkata. Since the liability is not materialized yet, hence no provision regarding the same has been made in the books of accounts, however the management is under the process of filing a compounding application before 10<sup>th</sup> Metropolitan Magistrate Court, Kolkata.
- c. On 02<sup>nd</sup> July, 2012, M/s. Aum Saw Pipe and Industries Private Limited has filed an Arbitration Petition (L) No.994 of 2013, with the Hon'ble Bombay High Court before the lordship of Mr. Justice Ranjit More, to obtain control over the current management of company in pursuance to the open offer place by M/s. Aum Saw Pipe & Industries Private Limited before the shareholders of company however, the matter is still under dispute and the board of directors do not anticipate any monetary demands against the same. Company has already intimated about termination of open offer to Bombay Stock Exchange.
- d. Other contingent liabilities as may arise on account of non or delayed compliance of certain fiscal statutes – Amount Unascertainable (Previous period-Amount Unascertainable).

**NOTE – 22: Secured Loans: Term Loan**

- a. Term Loan I, II & III from State Bank of India is secured by the following:
- i. First charge on entire assets created out of bank finance (Refractory and coke manufacturing units at village Lunva, Gujarat) and entire current assets of the company, present and future

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**Report for Fifteen months period ended on 31.03.2013**

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- ii. Second Pari-passu charge on entire fixed assets of the company
  - iii. First pari-passu charge over commercial land at Bachhau, Village Lunva, Gujarat
  - iv. First charge on the commercial land at village lunva, commercial land at Silvassa, residential premises at Goregaon (Mumbai), office premises at Andheri (w) Mumbai.
  - v. Personal guarantee of the Chairman & Managing Director of the company
- b. Term Loan from Bank of India is secured by the following:
- i. 1st Pari Passu Charge on Land at village Lunva, Gujarat
  - ii. 1st Pari Passu Charge on movable plant & machinery, furniture & fixture etc. created out of the bank finance on factory land and building.
- c. Term Loan from State Bank of Indore has been fully repaid by the company, and the respective charges / liens of bank on the immovable assets (residential premises at Andheri of director) secured for such purpose, have been relinquished.

**Working Capital & Letter of Credit:**

Working Capital & Letter of Credit facility from State Bank of Indore which has been ***taken over by State Bank of India*** is secured by the following:

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

- a. Entire current assets of the company, present and future
- b. Second Pari-passu charge on entire fixed assets of the company
- c. First pari-passu charge over commercial land at Bachhau, Village Lunva, Gujarat
- d. First charge on the commercial land at village lunva, commercial land at Silvassa, premises at Goregaon (Mumbai), office premises at Andheri (w) Mumbai.
- e. 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:**

- a. 1st Pari-passu charge on the current assets of the company with working capital lenders.
- b. Pledge of term deposit receipts
- c. Collaterally secured by 2nd Pari Passu charge on entire movable plant and machinery of the company
- d. 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
- e. Personal guarantee of the Chairman & Managing Director of the company.

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

- a. Primarily secured by first pari passu charge on the entire current assets of the company.
- b. Collaterally secured by second pari passu charge on entire fixed assets.
- c. Personal guarantee of the Chairman & Managing Director of the company

**NOTE – 23: Minority Interest:** Since during the reporting period, the accumulated losses in the books of subsidiary companies attributable to minority interest has exceeded minority's share in equity of subsidiaries companies hence, no minority interest has been recognized in the consolidated balance sheet for the reporting period. The debit balance in minority interest has been adjusted before capital reserve of holding company arising out of consolidation of books of accounts.

**NOTE – 24: Extraordinary Items:** In consolidated cash flow statement, during the reporting period, extraordinary items reflects Rs.8.73 crores in respect of decrease in capital reserve arising out of consolidation of subsidiary companies books of accounts and during the previous period, Rs. 242.31 crores is an adjustment on account of impairment of fixed assets.

**NOTE – 25: Provision for Interest and other expenses:** Provision of Interest on Term Loans and Working Capital Loans has not been recognized during the period, as bankers has classified company's account as Non-Performing Asset (NPA) and company has motioned one time-settlement schemes to bankers at various point of time. However, necessary provisions have been made for all other known liabilities at the end of the period which are adequate in management's opinion.

**NOTE – 26: Deferred Tax Asset / Liability:**

During the reporting period, the valuation of fixed assets of company is under progression with the office of Income Tax Valuation Department, Delhi, as referred by DCIT, Kolkata, in order to finalize block assessment under section 153A/143(3) of Income Tax Act, 1961, which shall have substantial effect on the carrying value of fixed assets shown in the balance sheet, due to which certain timing differences may become permanent in nature. Hence, pending assessment with the income tax authorities and in order to circumvent complexity in accounts, **no provision has been made during the reporting period in respect of deferred tax asset or liability as per AS-22.**

However, considering effect of provisional assessment made by Assessing Officer, Kolkata and pending outcome of valuation with Valuation officer of Income Tax Department, Components of Deferred Tax Liability as per AS-22, and "Accounting for Taxes on Income" shall be as follows:

(Rs. In Lakhs)

Particulars	As at 31.12.2011	Charge/credit for the period	As at 31.03.2013
a. Deferred Tax Liability	3463.25	2158.24	5621.49
b. Deferred Tax Asset	763.21	-	763.21
<b>Net Deferred Tax Liability (a-b)</b>	<b>2700.04</b>	<b>2158.24</b>	<b>4858.28</b>

**NOTE – 27:** 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.

**NOTE – 28: Managerial remuneration:**

Managing Directors – Salary including other benefits for 15 (fifteen) months period is Rs.6,82,622/- (Previous period Nil)

**NOTE – 29:** Balances appearing under the head of Investments, Loans, Sundry Debtors, Sundry Creditors, Loans & Advances and deposits are subject to confirmations, reconciliation and adjustments, if any.

**NOTE – 30:** In the opinion of the management of subsidiary company, loans and advances have a value on realization in the ordinary course of business at least equal to the amount stated in its Balance Sheet after providing for necessary provisions in respect of doubtful and / or disputed balances thereof amounting to Rs. 60.71 crores (holding company's share i.e., 84.07% of 72.21 crores), which is included in provisions for doubtful Debts/Advances Rs.132.34 crores as shown in Note 17.j. forming part of consolidated profit and loss statement. These balances are under various stages of negotiations and follow-up, however subsidiary company is not doubtful regarding recovery of these amounts.

**NOTE – 31: Segment Reporting (AS -17):**

The Company has two primary segments i.e., "Coke" and "Refractory". The summary of revenue generated and capital employed thereon has been tabulated below:

*(Rs. In Lakhs)*

Particulars	Coal/Coke		Refractory	
	31.03.2013	31.12.2011	31.03.2013	31.12.2011
Segment Revenue	4689.36	1654.84	9.54	36.85
Net Profit before tax	(2695.29)	(17409.24)	(127.06)	(76.94)
Capital Employed	(2801.65)	(6447.93)	(164.35)	(348.76)

**NOTE – 32: Related Party Disclosures:**

**Key Managerial Personnel of the company:**

Sr. No.	Name of Managerial Personnel	Nature of Relationship
1	Mr. Ratanlal Tamakhuwala	Promoter/Director
2	Mr. Sunil Jawaharlal Mandloi	Director
3	Mr. Mehmood Mohammedali Damani	Managing Director

**Enterprises under the control of Key Managerial Personnel:**

- a. Sancia Global Infraprojects Limited
- b. Newsaw Infraprojects Limited
- c. Sancia Infraglobal Private Limited

**Subsidiary Companies:**

- a. Global Astra Pte Ltd., Singapore
- b. Astra Mining Limitada, Mozambique

**GREENEARTH RESOURCES & PROJECTS LIMITED**

Following transactions were carried out in the ordinary course of business with the parties during the reporting period referred above:

(Rs. In Lakhs)

Particulars	Enterprise of which the company is an associate	Key Management Personnel	Enterprise in which key management personnel has significant influence
Remuneration paid/provided	-	7.22	-
Purchase	-	-	-
Corporate Guarantee	-	-	38903.00
Loans and Advances: Taken during the period	-	35.00	102.24
Loans and Advances: Given during the period	-	0.10	156.77

**NOTE – 33: Computation of Earnings Per Share (AS-20): (Basic and Diluted)**

(Rs. In Lakhs)

Particulars	Period ended 31.03.2013	Period ended 31.12.2011
Amounts used as numerator in calculating Basic EPS (Rs.)	(8,897.74)	(33,030.28)
No. of Equity Shares used as denominator (Nos.)	29,02,96,040	29,02,96,040
Nominal value per Equity Share (Rs.)	1 rupee	1 rupee
Earnings/(Loss) Per Share (Basic and Diluted) (Rs.)	(3.07)	(11.38)

**NOTE - 34: Auditors' Remuneration includes:**

(Rs. In Lakhs)

Particulars	Current Period (Rs.)	Previous Period (Rs.)
a. Audit Fees	1.19	1.38
<b>Total</b>	<b>1.19</b>	<b>1.38</b>

*Note: Figures shown above are exclusive of service tax.*

**NOTE – 35:** Additional information pursuant to Provisions of Part II of Schedule VI to the Companies Act, 1956 to the extent applicable to the company:

**Report for Fifteen months period ended on 31.03.2013**

**(a) Particulars of Capacity and Production:**

Description	Units	Installed Capacity		Actual Production	
		Period ended on 31.03.2013	Period ended on 31.12.2011	Period ended on 31.03.2013	Period ended on 31.12.2011
Low-Ash Metallurgical Coke (F.G.)	M.T.	3,75,000 per annum	3,75,000 per annum	23598.41	26535.24

**(b) Particulars of Sales and Stock:**

Description	Units	Period ended on 31.03.2013		Period ended on 31.12.2011	
		LAMC (F.G.)	Coal (R.M.)	LAMC (F.G.)	Coal (R.M.)
Opening stock	M.T.	8191.01	683.22	9647.87	423.92
	Rs.	5,97,35,000	31,59,400	169,802,530	5,002,256.00
Closing stock	M.T.	941.32	1,916.23	8191.006	683.22
	Rs.	99,52,797	2,05,54,642	59,735,000	3,159,400.00
*Sales/Transfer to Production	M.T.	30848.1	38,689.20	27992.1	34,631.00
	Rs.	32,61,64,207	-	148,467,831	-

*Note: During the period under review, sales has been shown at average cost for comparison at same level.*

**(c) Particulars of Raw Material Consumed:**

Description	Period ended on 31.03.2013		Period ended on 31.12.2011	
	Qty. (M.T.)	Value Rs.	Qty. (M.T.)	Value Rs.
Raw Coal	38689.200	41,50,03,834	26535.200	31,31,15,360

**(d) Other Additional Information:**

i) CIF Value of Imports: Raw Materials: Coal

Description	Period ended on 31.03.2013	Period ended on 31.12.2011
Raw Materials	Nil	Nil

ii) Value of Imported / Indigenous Raw Materials: Coal

Raw Materials	Period ended on 31.03.2013		Period ended on 31.12.2012	
	Rs.	%	Rs.	%
Imported	Nil	0.00	Nil	0.00
Indigenous	43,24,10,794	100.00	14,45,01,940	100.00
<b>Total</b>	<b>43,24,10,794</b>	<b>100.00</b>	<b>14,45,01,940</b>	<b>100.00</b>

**NOTE – 36:** Previous figures have been re-grouped, re-classified and rearranged wherever considered necessary.

**GREENEARTH RESOURCES & PROJECTS LIMITED**

**NOTE – 37: CONSOLIDATED BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:**

<b>Registration Details</b>			
Registration No.	63008	State Code	21
<b>Capital raised during the period (Rs. In Lakhs)</b>			
Public Issue	-	Right Issue	-
Bonus Issue	-	Private Placement	-
<b>Position of Mobilisation and Development of Funds (Rs. In Lakhs)</b>			
Total Liabilities	21,909.69	Total Assets	21,909.69
<b>Sources of Funds</b>		<b>Application of Funds</b>	
Paid up share capital	2,902.96	Net Fixed Assets	11,957.18
Reserve and Surplus	(18,756.54)	Investments	11.43
		Net Current Assets	(21,769.08)
Secured Loan	25,293.08	Miscellaneous Expenditure	926.00
Unsecured Loan	1,774.61		
Deferred Tax Liability	2,700.04		
<b>Performance of Company:</b>			
Turnover / Total Revenue	12,253.78	Total Expenditure	21,151.52
Profit Before Tax	(8,897.74)	Profit After Tax	(8,897.74)
Earnings per share	-3.07	Dividend Rate%	-
<b>Generic Names of Three Principal Products / Services of the company</b>			
<i>(as per monetary terms)</i>			
Product Description   Coal, Coke and Refractories			
Item Code (ITC Code)	2704 0030		
Service Description	—		

As Per our Report of even date attached.

**For M. Mukherjee & Associates**

(Chartered Accountants)

Firm Regn. No. 326127E

sd/-

**(M. M. Mukherjee)**

Proprietor

Membership No. 015254

Place: Kolkata

Date: 03rd September, 2013

**For and on Behalf of Board**

sd/-

**(M.M. Damani)**

Managing Director

sd/-

**(Sunil Mandloi)**

Director



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

1.	Name of the Subsidiary Company	Astra Mining LDA
2.	The financial year of the subsidiary company ended on	31.03.2013
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 and 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. (60,84,688)
	b) Profit/ (loss) for the previous financial years of the subsidiary since it became the subsidiary of Greenerth Resources & Projects Ltd..	Rs. (61,30,490)
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 M. Mukherjee & Associates**

(Chartered Accountants)

Firm Regn. No. 326127E

sd/-

**(M. M. Mukherjee)**

Proprietor

Membership No. 015254

Place: Kolkata

**Date:** 03rd September, 2013

**For and on Behalf of Board**

sd/-

**(M.M. Damani)**

Managing Director

sd/-

**(Sunil Mandloi)**

Director

## GREENEARTH RESOURCES & PROJECTS LIMITED

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

1.	Name of the Subsidiary Company	Global Astra Pte Ltd.
2.	The financial year of the subsidiary company ended on	31.12.2012
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
	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 and Projects Ltd. and is not dealt with in the Company's accounts, of the Subsidiary's profits	
	a) Profit/(loss) for the Subsidiary's previous financial year	Rs.(1,75,06,47,409)
	b) Profit/ (loss) for the previous financial years of the subsidiary since it became the subsidiary of Greenearth Resources & Projects Ltd..	Rs.(1,75,17,19,433)
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 M. Mukherjee & Associates**

(Chartered Accountants)

Firm Regn. No. 326127E

sd/-

**(M. M. Mukherjee)**

Proprietor

Membership No. 015254

Place: Kolkata

**Date:** 03rd September, 2013

**For and on Behalf of Board**

sd/-

**(M.M. Damani)**

Managing Director

sd/-

**(Sunil Mandloi)**

Director

**Note:** The accounts of foreign subsidiaries, on basis of which consolidation has been made are unaudited and have not been annexed to this Report. The accounts for the fifteen months period of the subsidiary companies and the related details will be made available to the investors of the company and subsidiary companies seeking such information during normal business hours. The accounts of the subsidiary companies for stated period are available for inspection by any investor at the Registered Office of the company and the concerned subsidiaries of the company.

**GREENEARTH RESOURCES AND PROJECTS LIMITED**

**Regd. Office:** Natural Nest, Flat No.6-C, 6<sup>th</sup> Floor, New Town, Rajarhat, Kolkata -700157. Tel.No.: 033-40056750

**19th Annual General Meeting**

**PROXY FORM**

DP ID \_\_\_\_\_

Folio No. \_\_\_\_\_

Client ID \_\_\_\_\_

No. of Shares \_\_\_\_\_

(Applicable for investor holding shares in electronic form)

I/We \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ being a Member / Members hereby appoint \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ of failing him \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ as my/our proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the company to be held on Monday 30th September, 2013 at 05.00 p.m. At O2 Hotel & Restaurant, Near Airport, Kaikhali, Vip Road, Kolkata - 700 052

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013

Affix  
Rupee One  
Revenue

For Office use:

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

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

**GREENEARTH RESOURCES AND PROJECTS LIMITED**

**Regd. Office:** Natural Nest, Flat No.6-C, 6<sup>th</sup> Floor, New Town, Rajarhat, Kolkata -700157. Tel.No.: 033-40056750

**19th Annual General Meeting**

**ATTENDANCE SLIP**

DP ID \_\_\_\_\_

Folio No. \_\_\_\_\_

Client ID \_\_\_\_\_

No. of Shares \_\_\_\_\_

(Applicable for investor holding shares in electronic form)

Name of the \_\_\_\_\_ Member \_\_\_\_\_ 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 19th Annual General Meeting of the Company on Monday 30th September, 2013 at 05.00 p.m. At O2 Hotel & Restaurant, Near Airport, Kaikhali, Vip Road, Kolkata - 700 052

Signature of Member / Proxy

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

BOOK-POST

*If undelivered, please return to:*

**GREENEARTH RESOURCES & PROJECTS LIMITED**

Natural Nest, Flat No.6-C, 6<sup>th</sup> Floor,  
New Town, Rajarhat, Kolkata -700157.  
Tel.No.: 033-40056750  
E-mail : [contact@greenearth.net.in](mailto:contact@greenearth.net.in)  
Website : [www.greenearth.net.in](http://www.greenearth.net.in)



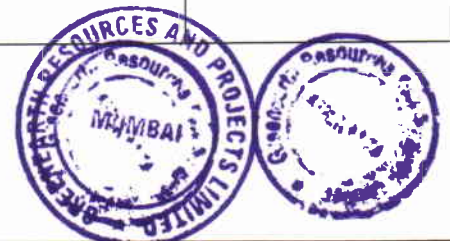
## *Greenearth Resources and Projects Limited*

.....in continuation to Directors Annual Report"

### FORM A

Sr. No.	Basic Particulars	
1	Name of the Company:	Greenearth Resources & Projects Limited
2	Financial statements for the 15 months period ended 31.03.2013	31 <sup>st</sup> March,2013

Sr. No.	Type of Audit observation	Unqualified / Qualified / Matter of Emphasis	Frequency of Observations
1.	<b>Refer Point 2.a.:</b> We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit, except information and explanations read with auditors' report for the year ended 31.03.2010, 31.03.2011 and 9 months period ended on 31.12.2011	Matter of Emphasis	Last four reporting periods
2.	<b>Refer Point no. 2.g:</b> As per AS-28 impairment of asset, company has not made an independent assessment of any indicators that may lead to impairment of assets	Matter of Emphasis	Last three reporting periods
3.	<b>Refer Point no. 2.g:</b> As per AS-22 Accounting for Taxes on Income, and Note 24 forming part of Balance Sheet and Profit & Loss Statement, company has not provided for deferred tax assets or liabilities that may arise on account of timing differences which are capable of reversal in one or more subsequent periods, using the tax rates and tax laws that are enacted or substantively enacted	Matter of Emphasis	Current Reporting period





Sr. No.	Type of Audit observation	Unqualified / Qualified / Matter of Emphasis	Frequency of Observations
4.	<b>Refer Point no. 2.g:</b> Company has not made any Provision for Interest on Working Capital Facility and Term Loan availed from Various Banks, the amounts not having been ascertained, as the same is not charged by Banks. This is because of classification of its account by the concerned Banks and Financial Institution as Non-performing Assets (NPA).	Matter of Emphasis	Current Reporting period
5.	<b>Refer Point no. 2.g:</b> Balances of Loans, Sundry Debtors, Loans and Advances and Current Liabilities, are subject to confirmation from the respective parties and reconciliations, if any	Matter of Emphasis	Last four reporting periods
6.	<b>Refer Annexure to the Auditors' Report Para 11:</b> Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has defaulted in repayment of dues to a financial institutions and banks. In this pursuance, company has motioned one time settlement schemes to its bankers	Matter of Emphasis	Last Three reporting periods

**For Greenearth Resources and Projects Limited**  
(formerly known as Austral Coke & Projects Limited)

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

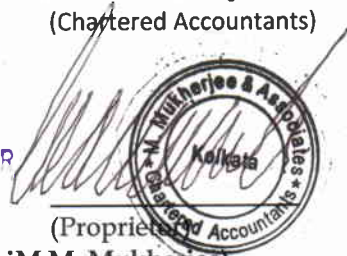
GREEN EARTH RESOURCES AND PROJECTS LTD GREEN EARTH RESOURCES AND PROJECTS LTD

 DIRECTOR

(Managing Director)  
(Shri M.M. Damani)

 DIRECTOR

(Chairman of Audit Committee)  
(Shri Sunil Mandloi)



(Proprietor)  
(Shri M.M. Mukherjee)  
M. No.:015254



Place : Kolkata  
Date : 03<sup>rd</sup> September, 2013



## *Greenearth Resources and Projects Limited*

.....in continuation to Directors Annual Report”

### FORM B

Sr. No.	Basic Particulars	
1	Name of the Company:	Greenearth Resources & Projects Limited
2	Financial statements for the 15 months period ended 31.03.2013	31 <sup>st</sup> March,2013

Sr. No.	Type of Audit Qualification	Qualified / Subject to / Except	Frequency of Qualification	Comments of Board/Audit Committee
1.	Refer Annexure to the Auditors' Report Para 1.(a):The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets <i>subject to the annexure to the Auditors Report for theyear ended on 31.03.2010, 31.03.2011 and nine months period ended on 31.12.2011</i>	Qualified	Last four reporting periods	Refer Page no. 34 of Annual Report, as per Note 20.1.(d): During the financial period ended on 31st March, 2013; figures related to previous financial periods had been presented on the basis of regenerated and /or reconstructed records prepared on the basis of bank statements, residuary information and on the basis of management representations due to the accidental loss of financials and other records while shifting of books of accounts, office documents and furniture from Corporate office (Mumbai) to Registered office (Kolkata).
2.	Refer Annexure to the Auditors' Report Para 2.(c):In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on	Qualified	Last four reporting periods	Refer Page no. 34 of Annual Report, as per Note 20.1.(d): During the financial period ended on 31st March, 2013; figures related to previous financial periods had been presented on the basis of regenerated and /or





	physical verification of stocks by the management as compared to book records <i>subject to the annexure to the Auditors Report for theyear ended on 31.03.2010, 31.03.2011 and nine months period ended on 31.12.2011</i>			reconstructed records prepared on the basis of bank statements, residuary information and on the basis of management representations due to the accidental loss of financials and other records while shifting of books of accounts, office documents and furniture from Corporate office (Mumbai) to Registered office (Kolkata).
3.	<b>Refer Annexure to the Auditors' Report Para 9.(a):</b> According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31 <sup>st</sup> of March, 2013 for a period of more than six months from the date they became payable <i>except income tax and sales tax</i>	Qualified	Last four reporting periods	<b>Refer Page no. 7 of Annual Report, as per point no. 1.b of director's report:</b> Referring the previous and current financial Period results, the entire net worth of the Company has got eroded. The accumulated losses of company during the reporting period is Rs. 419.58 crores (P.Y. Accumulated Loss Rs.391.33 crores) and has incurred a cash loss of Rs. 5.67 crores (P.Y. Cash loss Rs.72.91 crores) and as such company falls within the definition of "sick industrial company" within the meaning of section 3(1)(o) of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA). Consequently, for its rehabilitation, company's case is being pursued under the adjudication of Appellate Authority for Industrial and Financial Reconstruction (AAIFR). Hence due to financial hardships, company is unable to make the payment of Income Tax and Sales Tax.

**For Greenearth Resources and Projects Limited**  
(formerly known as Austral Coke & Projects Limited)

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

GREEN EARTH RESOURCES AND PROJECTS LTD.  
*(Signature)*  
(Managing Director)  
(Shri M.M. Damani)

GREEN EARTH RESOURCES AND PROJECTS LTD.  
*(Signature)*  
(Chairman of Audit Committee)  
(Shri Sunil Mandloi)

DIRECTOR

(Proprietor)  
(Shri M.M. Mukherjee)  
M. No.:015254

Place : Kolkata  
Date : 03<sup>rd</sup> September, 2013

