



# SANCIA GLOBAL INFRAPROJECTS LTD.

**ANNUAL REPORT  
2012-2013**

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**22<sup>nd</sup> Annual General Meeting will be held on Monday,  
September 30, 2013 at 4.00 p.m. at O2 Hotel & Restaurant,  
Near Airport, Kaikhali, VIP Road,  
Kolkata -700052**

**22<sup>nd</sup> Annual Report 2012-13**

**SANCIA GLOBAL INFRAPROJECTS LTD.**

**Board of Directors**

Mr. Arun Kumar Ray	Director
Mr. Johnny Fernandes	Managing Director
Mr. Pradeep Sutodiya	Director
Mr. Kishore Kumar Damani	Director
Mr. Mukesh Chandra Sharma	Director

**BANKERS**

State Bank of India  
Bank of India  
Jammu & Kashmir Bank

**AUDITORS**

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

**REGISTERED OFFICE:**

32, Ezra Street, Todi Mension, Unit No: 1060, 10<sup>th</sup> Floor,  
Kolkata: 700 001

**CORPORATE OFFICE**

Unit No: 5, Ground Floor, Nel Gagan Society CHS,  
Building No: 4, D. N. Nagar, J. P. Road, Near Wadia School,  
Andheri (West), Mumbai: 400053

**REGISTRAR & SHARE TRANSFER AGENT**

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

## MANAGING DIRECTOR'S MESSAGE

Dear Shareholders,

On behalf of the Board of Directors, I have pleasure in welcoming you all today to the 22<sup>nd</sup> Annual General Meeting of your Company.

Indian economy is a growing economy with a very positive story in the long run. However we are undergoing a difficult phase with a volatile market situation and some slowing down in the Industry. This has led to reduction of economic growth curve. In the wake of the India as well as global financial meltdown, it was hard for businesses to raise resources and maintain the high trend growth rate of the last few years, especially for Infrastructure Industry.

### Performance Review:

India is also affected by the financial crises all over the world. Almost every sectors were affected by the same specially Infrastructure Sector is affected badly. Due to which the performance of the company has been reduced.

During the year under review, Revenue and Net Loss for the year was Rs. 387.27 Lacs and Rs. (1949.17) Lacs as compared to the previous year Rs.678.95 Lacs and Rs.(24871.03) Lacs.

The accumulated loss of the Company as on 31.03.2013 is more than 100% of its net worth during the year and immediately preceding the financial year and as such falls within the definition of "sick industrial Company" under section 46(AA) (i) of the Companies (Second Amendment) Act, 2002 . The Net Worth of the company had also been eroded during the financial year 2011-12 itself resulting, the Company had become a sick industrial company within the meaning of section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985.

The company has made a reference during the financial year 2012-13 to the "Board for Industrial & Financial Reconstruction" under section 15(1) of Sick Industrial Companies (Special Provisions) Act 1985 however the same reference has been declined by BIFR.

Presently the management is trying their best to revive the company.

### Management Review:

The present directors are having adequate knowledge and experience to run your Company more professionally and strategically. In order to leverage their knowledge and wide experience in the Infrastructure sector, Directors are trying their best for getting hiring projects in various parts of the Country.

During the previous year 2011-12 the company has taken over the **saw pipe division of Sancia Infra Global Private Limited** with its full assets and liabilities on a going concern basis however the same project is not take-off till date due to lack of working capital.

### Corporate Governance

As such we have adopted the Group's Corporate Governance Practices and Code of Conduct. These guidelines prescribe a set of systems, processes and principles that conform to the best global standards, and are aimed at promoting the interests of all our stakeholders.

### Commitments

Powered by the experience and expertise of the Sancia Global group in project management, we will seek to achieve the highest performance standards in the industry.

I am Grateful to the Board of Directors for their unwavering support and guidance. I also take this opportunity to express my gratitude to all our shareowners, who have reposed trust in us and extended their constant support.

Sd/-  
**Johnny Fernandes**  
Managing Director

## NOTICE

**NOTICE IS HEREBY GIVEN THAT THE 22<sup>ND</sup> ANNUAL GENERAL MEETING OF SANCIA GLOBAL INFRAPROJECTS LIMITED WILL BE HELD ON MONDAY SEPTEMBER 30, 2013 AT 04.00 P.M. AT O2 HOTEL & RESTAURANT, NEAR AIRPORT, KAIKHALI, VIP ROAD, KOLKATA-700 052 TO TRANSACT THE FOLLOWING BUSINESS: -**

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as on March 31, 2013 and Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Pradeep Sutodiya, who retires by Rotation, at the Annual General Meeting and being eligible, offers him for reappointment.
3. To appoint M/S M.M. Mukherjee & Associates as a Statutory Auditor of the Company to hold office from conclusion of this Annual General Meeting until conclusion of the next Annual General Meeting of the company and fix their Remuneration.
4. **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.

### **SPECIAL BUSINESS:**

5. **Appointment of Mr. Johnny Fernandes as a Managing Director**

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

"RESOLVED THAT pursuant to the provisions of the Section 198, 269,309 and other applicable provisions, if any, of the Companies Act, 1956 (including any Statutory Modification(s) or re-enactments thereof, for the time being in force) read with Schedule XIII of the Act thereto, consent of the Company be and is hereby accorded to the appointment of Mr. Johnny Fernandes as the Managing Director of the Company for a period of 3 years with effect from September 3, 2013 to till September 2, 2016 on the terms and conditions including remuneration as set out hereunder with the liberty to Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any committee which the Board may constitute to exercise its powers, including the power conferred by this resolution) to alter and vary the terms and conditions of the said appointment and or remuneration within the parameters of the applicable laws or any amendment thereto:

"RESOLVED FURTHER THAT wherein a financial year during the currency of his tenure, the Company has no profits or its profits are inadequate the remuneration payable to him shall not exceed the ceiling limit prescribed in Section 198 of Part III of Schedule XIII to the Companies Act, 1956, or his present remuneration whichever is less for that year.

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

**6. Appointment of Shri MUKESH CHANDRA SHARMA as Executive Director:**

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

Ordinary resolution:

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

**RESOLVED FURTHER THAT** Shri MUKESH CHANDRA SHARMA be and is hereby authorized to do, execute & sign all the documents, deeds and things as and when necessary, in the absence of Mr. Johnny Fernandes (Managing Director) of the Company.

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

By the order of the Board  
For **SANCIA GLOBAL INFRAPROJECTS LIMITED**

Date : September 03, 2013  
Place : Mumbai

**JOHNNY FERNANDES**  
(Managing Director)

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT A PROXY TO ATTEND THE MEETING AND TO VOTE ON A POLL, INSTEAD OF VOTING 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 32, Ezra Street, Todi Mension, Unit No: 1060, 10th Floor, Kolkata:700001 .

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 & replies will be provided at the meeting.

By the order of the Board  
**For SANCIA GLOBAL INFRAPROJECTS LIMITED**

Sd/-

Date: September 03, 2013

JOHNNY FERNANDES  
(Managing Director)

Place: Mumbai

## EXPLANATORY STATEMENT

### **Pursuant to Section 173(2) of the Companies Act, 1956**

#### **Item No. 1:**

To receive, consider and adopt the Audited Balance Sheet as on March 31, 2013 and Profit and Loss Account for the year 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 a Director in place of Mr. Pradeep Sutodiya, 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 are interested in this resolution except Mr pradeep sutodiya.

#### **Item No. 3:**

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

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

#### **Item No. 4:**

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

#### **Item No. 5:**

The Board of Directors at its meeting held on September 3, 2013 had appointed of Mr. Johnny Fernandes as the Managing Director of the company for a period of 3 years with effect from September 3, 2013 in accordance with the provisions of Schedule XIII to the Companies Act, which requires approval of the members of the Company.

**A. Tenure of appointment:** The appointment of the Managing Director is for a period of 3 years with effect from September 3, 2013 to September 2,2016.

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

**C. Remuneration:** Subject to overall limit on remuneration payable to all managerial personnel taken together, as laid down in The Companies Act 1956, read with Schedule XIII thereto, Mr. Johnny Fernandes shall be paid Rs. 480,000/- (Rupees Four Lacs Eighty Thousand only) per year and the above remuneration payable to him shall be inclusive of allowances and perquisites etc. as may be determined by the Board from time to time and may be payable monthly or otherwise provided that the perquisites shall be evaluated as per Income Tax Act and Rules wherever applicable. The remuneration for a part of the year shall be computed on pro-rata basis.



**D. Sitting Fees:** Mr. Johnny Fernandes shall not be entitled to any sitting fees.  
The Board of Directors recommends the proposed resolution for your approval.  
None of the directors except Mr. Johnny Fernandes is in any way concern or interested in the resolution.  
The Board recommends the special resolution for acceptance by the members.  
Your Directors recommend this resolution for your approval.

Your Directors recommends this resolution for your approval.

None of the Directors of the Company Except Johnny Fernandes are interested in this resolution

**Item No.6**

Shri MUKESH CHANDRA SHARMA was appointed as an Additional Director of the Company with effect from 19<sup>th</sup> August,2013 and will hold office upto the date of the ensuing Annual General Meeting of the Company. The Company has received a notice under Section 257 of the Companies Act, 1956 from a member signifying his intention for appointment of Shri MUKESH CHANDRA SHARMA as a Director of the Company. Considering varied experience of Shri MUKESH CHANDRA SHARMA in field of handling commercial and management aspects of the organisation it will be in the interest of the company to appoint him as a director. Your Director recommends the appointment of Shri MUKESH CHANDRA SHARMA as a Director.

None of the director is concerned and interested except Shri MUKESH CHANDRA SHARMA in this resolution.

Your Directors recommends this resolution for your approval.

By the order of the Board  
**For SANCIA GLOBAL INFRAPROJECTS LIMITED**

sd/-

**JOHNNY FERNANDES**  
**(Managing Director)**

Date : September 03, 2013

Place : Mumbai

## DIRECTORS' REPORT

To

The members

Your Directors are pleased to present herewith 22<sup>nd</sup> Annual Report of the Company together with the audited statement of accounts for the Financial Year ended 31st March, 2013.

### 1. Financial Results

(Rs. in Lacs)

PARTICULARS	31.03.2013	31.03.2012
<b>REVENUE</b>		
Income from Operations	387.27	678.95
Sale of Goods		-
Other Income	29.64	40.84
Increase/ Decrease in Inventory/ Stores & Spares	-	-
<b>Total Income</b>	416.91	719.79
<b>EXPENDITURE</b>		
(a) Purchase of Goods	-	-
(b) Operating Expenses/Cost of Sales	270.64	327.53
(c) Employment Cost	31.53	68.01
(d) Administrative, Selling & Other Expenses	349.05	25,612.41
<b>Total Expenditure</b>	651.22	26,007.95
<b>Profit before Interest and Depreciation and Tax</b>	(234.31)	(25,288.16)
Interest & Finance Charges	42.47	132.35
Depreciation & amortization of Assets	1,571.76	1,091.70
<b>Profit before Tax</b>	(1,848.54)	(26,512.21)
Current Tax	-	-
Deferred Tax	(100.61)	1,641.19
<b>Net Profit After Tax</b>	(1,949.16)	(24,871.02)
Add: Balance brought forward from previous year	(23,257.34)	1,613.68
<b>Profit Available for Appropriation</b>	(25,206.50)	(23,257.34)
<b>Balance carried to Balance Sheet</b>	(25,206.50)	(23,257.34)
<b>Earning Per Share (Rs.) Basic</b>	(4.49)	(57.31)
<b>Earning per share (Rs.) Diluted</b>	(4.49)	(57.31)
Paid-up Equity Share Capital (Rs. 10/- per share)	4,339.88	4,339.88

## **b) Financial Restructuring:**

During the year under review, Revenue and Net Loss for the year was Rs. 387.27 Lacs and Rs. (1949.17) Lacs as compared to the previous year Rs.678.95 Lacs and Rs.(24871.03) Lacs.

The accumulated loss of the Company as on 31.03.2013 is more than 100% of its net worth during the year and immediately preceding the financial year and as such falls within the definition of "sick industrial Company" under section 46(AA) (i) of the Companies (Second Amendment) Act, 2002 . The Net Worth of the company had also been eroded during the financial year 2011-12 itself resulting, the Company had become a sick industrial company within the meaning of section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985.

The company has made a reference during the financial year 2012-13 to the "Board for Industrial & Financial Reconstruction" under section 15(1) of Sick Industrial Companies (Special Provisions) Act 1985 however the same reference has been declined by BIFR.

Presently the management is taking all possible steps for revival/restructuring of the company.

### **3. DIVIDEND**

For the financial year 2012-13 your directors have decided not to declare any dividend.

### **4. OPERATIONS**

Construction and infrastructure is in a "momentum" growth phase and with an excellent business model coupled with strong execution capabilities and thriving order book position. The Management is expecting growth in Revenue as well as in profitability.

### **5. DIRECTORS' RESPONSIBILITY STATEMENT**

As required under section 217(2AA) of the Companies Act, 1956, your Directors would like to

confirm that:

- (i) That in the preparation of the annual accounts, the applicable accounting standards have been followed.
- (ii) That we have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 2012-2013 and the profit / Loss of the Company .
- (iii) 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.
- (iv) That we have prepared the annual accounts on a going concern basis.

### **6. TERM DEPOSITS**

The Company has not accepted any public deposits and, as such, no amount on account of principal or interest on public deposits as per section 58A of the Companies Act 1956, was outstanding on the date of the Balance Sheet.

## 7. SUBSIDIARIES

The accounts of its overseas subsidiary i.e. Petrogrema Overseas PTE Ltd., has been consolidated on the basis of Unaudited financial statements for the period ended on 31st March, 2013. During the financial year 2012-13 the wholly owned subsidiary company i.e. Petrogrema Overseas Pte. Ltd has incurred heavy losses due to written-off of various loans & advances (Rs.103.31 Crores) which could not be recovered as per the view of the management and become bad due to various reasons mentioned in the notes to accounts.

The requisite statement pursuant to Section 212 of the Companies Act, 1956, related to the subsidiary company is also attached.

## 8. PERFORMANCE

During the year under review, Revenue and Net Loss for the year was Rs. 387.27 Lacs and Rs. (1949.17) Lacs as compared to the previous year Rs.678.95 Lacs and Rs. (24871.03) Lacs. The Decrease in the Turnover is due to lack of orders, poor capacity utilization, heavy financial crises and impairment of old equipments/machineries in the business.

## 9. INTERNAL CONTROLS & ADEQUACY

Your Company has adequate system of internal controls to ensure that all assets are safeguarded, transactions are authorized, optimum utilization of resources, costs are controlled, reporting of financial transactions and compliance with applicable law and regulations.

## 10. DIRECTORS

### During the year:

Mr. Pradeep Sutodia, Director of the Company, retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

Mr. Kishore Kumar Damani, Director of the Company, retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

Mr. Johnny Fernandes who was appointed as a Managing Director, has been appoint as Managing Director of the Company for the another period of 3 years w.e.f September 3, 2013 to till September 2,2016 subject to the approval of the shareholders of the Company in the ensuing Annual General Meeting of the Company.

**Shri MUKESH CHANDRA SHARMA** is appointed as a Director of the Company w.e.f.19<sup>th</sup> August, 2013 subject to approval in Share Holders Annual General Meeting.

Mr. Ravi Kumar Mandol was appointed as a Director of the Company w.e.f. January 30, 2012 was resigned from Directorship with effect from 04.03.2013.

## 11. AUDITORS

M/s. M.M. Mukherjee & Associates, Chartered Accountants, who are statutory auditors of the Company, hold office in accordance with the provisions of the Act, up to the conclusion of the forthcoming, Annual General Meeting and are eligible for re-appointment.

## 12. AUDITOR'S REPORT

Your directors are of the view that Notes to the Accounts adequately provide the necessary information and answers of the observations of the Auditors in their Report.

## 13. MANAGEMENT DISCUSSION AND ANALYSIS

In accordance with the listing agreement, the management discussions and analysis report is annexed hereto and forms part of this report.

**14. CORPORATE GOVERNANCE**

A report on Corporate Governance, along with a certificate from the Statutory Auditors and a certificate from the Managing Director has been included in the Annual Report, detailing the compliances of corporate governance norms as enumerated in Clause 49 of the Listing Agreement with the stock exchange.

**15. 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.

**16. 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 "**Sancia Global family**" across the country.

Place: Mumbai  
Date: September 03, 2012

For and on behalf of the Board  
Sd/-  
**Johnny Fernandes**  
*Managing Director*

## ANNEXURE 'A' TO DIRECTORS REPORT

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

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

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

#### (A) CONSERVATION OF ENERGY

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

#### (B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

The company over the years through its experience has also developed techniques to create the spares parts which is used to buy from OEMs at a very high rates by getting them produced locally at much economical cost.

The Company over a period of time has developed around hundreds of these critical components which enabled it to save substantial cost and in certain cases, the performance of the in-house developed parts have proved to be better than the parts procured from OEMs.

### FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign exchange earnings and outgo during the year 2012-2013 are as under.

Particulars	2012-13	2011-12
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo	Nil	Nil

By Order of the Board of Directors

Sd/-

Place: Mumbai  
Date: September 03, 2013

**Johnny Fernandes**  
Managing Director

## Management Discussion & Analysis Report

### 1. INDUSTRY STRUCTURE DEVELOPMENTS AND OUTLOOK

Over the past several years, the Indian economy grew faster than average global growth rate. The strong economic growth in India was largely due to factors such as increasing level of domestic demand, solid economic growth in all spheres of economic activity, the emergence of India as a low cost manufacturing destination and so on.

The main business of our company is to give on hire, equipments to companies engaged in construction activities particularly in construction of road, building and port. Thus the activities of the company are affected by the conditions in the infrastructure industry. Construction activity is an integral part of a country's infrastructure and industrial development. It includes hospitals, schools, townships, offices, houses and other buildings; urban infrastructure (including water supply, sewerage, and drainage), highways, roads, ports, railways, airports, power systems; irrigation and agriculture systems; telecommunications etc.

The construction equipment cost particularly in the road projects, bridges / dam construction and port projects constitutes a major cost of the projects. Further, with rapid technological developments, the cost of replacement of these equipments is also very high and can have a major impact on the profitability of a project. This is where the companies with a facility of providing equipments on hire have started coming in. However now these unorganized sector have started pooling in there equipments so that they are able to get better returns of their investment by way of maximum utilization of the equipment, better rental value and better maintenance of the same.

However as the project location are diverse and the equipment requirement at various sites may vary the sector has recently seen consolidation. As development of infrastructure at various geographical location all over India will involve huge funds outlays which can be only managed by the companies in the organized sector who have access to the funds easily and are able to develop the infrastructure.

### 2. RISKS CONCERNS AND RISK MITIGATION OBJECTIVE

Sancia Global Infraprojects Limited has successfully implemented risk management framework to achieve the following objectives:

- (a) Strategic: High-Level goals, aligned with and supporting its mission.
- (b) Operations: Effective and efficient use of its resources.
- (c) Reporting: Reliability of financial reporting.
- (d) Compliance: Compliance with applicable laws and regulations.

Risks are assessed and ranked according to the likelihood and impact of them occurring. Existing controls are assessed and mitigation measures discussed.

Risk are assessed and reviewed regularly at top level and risk mitigation measures taken promptly to address any adverse situation.

The company's activities comprise of providing equipment(s) on rental basis to entities which provide for levy of penalty normally for time-over-run cases. In case the Company is unable to meet the performance criteria as prescribed by the respective client and if penalties are levied, the financial performance of the company may be adversely affected. However, company has its own work-force which operates the machines and has a stock base of spare parts / its own workshop which ensures the minimal disruption of equipments etc.

### 3. THE EXCHANGE RATE FLUCTUATIONS MAY HAVE IMPACT ON THE PERFORMANCE OF THE COMPANY

The Company is exposed to exchange rate fluctuations, uncertainties in the global financial market may have an impact on the exchange rate between Rupees vis-à-vis other currencies. The exchange rate between the Rupee and other currencies is variable and may continue to fluctuate in the future. Such fluctuations can have an impact on revenue patterns.

The company has insurance policy consists of coverage for risks relating to physical loss. In addition, we have obtained separate insurance coverage for workmen related risks, motor vehicle risks and loss of movable assets risks. While we believe that the Insurance coverage maintained, would reasonably be adequate to cover all normal risks associated with the operation of our business, there can be no assurance that any claim under the insurance policies maintained by us will be honored fully. To the extent that we suffer loss or damage that is not covered by insurance or exceeds our insurance coverage, or the insurance policy covering such risk is not honored, our results of operation and cash flow may be adversely affected.

### 4. FINANCIAL PERFORMANCE

A summary of the financial performance of Sancia Global Infra Projects Ltd for financial year 2012-2013 and 2011-2012 is presented below.

(Rs. in Lacs)

PARTICULARS	31.03.2013	31.03.2012
<b>REVENUE</b>		
Income from Operations	387.27	678.95
Sale of Goods	-	-
Other Income	29.64	40.84
Increase/ Decrease in Inventory/ Stores & Spares	-	-
<b>Total Income</b>	416.91	719.79
<b>EXPENDITURE</b>		
(a) Purchase of Goods	-	-
(b) Operating Expenses/ Cost of Sales	270.64	327.53
(c) Employment Cost	31.53	68.01
(d) Administrative, Selling & Other Expenses	349.05	25,612.41
<b>Total Expenditure</b>	651.22	26,007.95
<b>Profit before Interest and Depreciation and Tax</b>	(234.31)	(25,288.16)
Interest & Finance Charges	42.47	132.35
Depreciation & amortization of Assets	1,571.76	1,091.70
<b>Profit before Tax</b>	<b>(1,848.54)</b>	<b>(26,512.21)</b>
Current Tax	-	-
Deferred Tax	(100.61)	1,641.19
<b>Net Profit After Tax</b>	<b>(1,949.16)</b>	<b>(24,871.02)</b>
Add: Balance brought forward from previous year	(23,257.34)	1,613.68
<b>Profit Available for Appropriation</b>	<b>(25,206.50)</b>	<b>(23,257.34)</b>
<b>Balance carried to Balance Sheet</b>	<b>(25,206.50)</b>	<b>(23,257.34)</b>
<b>Earning Per Share (Rs.) Basic</b>	<b>(4.49)</b>	<b>(57.31)</b>
<b>Earning per share (Rs.) Diluted</b>	<b>(4.49)</b>	<b>(57.31)</b>
Paid-up Equity Share Capital (Rs.10/- per share)	4,339.88	4,339.88



## **5. INTERNAL CONTROL SYSTEMS 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.

## **6. DEVELOPMENTS IN HUMAN RESOURCES:**

Our employees continue to be our biggest source of strength. Past success of Sancia Global Infra Projects Ltd., have come as much because of the soundness of its strategies as due to the determination and commitment of all its employees – who turned these strategies into action. Going forward, the Company's ability to enhance its human resource competencies will be even more critical. It is challenge that is being addressed through several structured initiatives.

During the year, the Company implemented several human resource and organizational development initiatives.

## **7. CAUTIONARY STATEMENT:**

Certain statements made in the Management Discussion and Analysis Report relating to the Company's objectives, projections, outlook, expectations, estimates, etc may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections etc, whether express or implied. Several factors could make significant difference to the Company's operations. These include climatic conditions and economic conditions affecting demand and supply, government regulations and taxation, natural calamities, etc over which the company does not have any direct control.

## **8. CHANGE IN MANAGEMENT:**

The management and day to day operations of the Company are controlled by the Promoters & Directors are having adequate knowledge and experiences required to run the Company professionally and strategically.

Recently they have been able to get orders for deploying construction equipments on rental basis and have also deployed equipments to various companies like, L&T, IVRCL, Gammon for projects like L&T Bangalore Metro Project, L&T Mumbai Monorail Project, Nashik RoadFlyover, Paradeep Orissa Power Plant Project and Siemens Power Plant.

Further in order to leverage their knowledge and vast experience in infrastructure sector the new promoter directors are strategically planning to start with larger infrastructure projects in various parts of the Country.

By Order of the Board of Directors

Place : Mumbai  
Date : September 03, 2013

Sd/-  
**Johnny Fernandes**  
*Managing Director*

## CORPORATE GOVERNANCE

A report on Corporate Governance, along with a certificate from the Statutory Auditors and a certificate from the Managing Director, have been included in the Annual Report, detailing the compliances of corporate governance norms as enumerated in Clause 49 of the Listing Agreement with the stock exchange.

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Sancia Global Infraprojects Limited believes that "Corporate Governance" refers to the processes and structure by which the business and affairs of the Company are directed and managed, in order to enhance long term shareholder value through enhancing corporate performance and accountability, whilst taking into account the interests of all stakeholders. Good corporate governance, therefore, embodies both enterprise (performance) and accountability (conformance).

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

- (a) Satisfaction of the spirit of the law through ethical business conduct.
- (b) Transparency and a high degree of disclosure levels.
- (c) Truthful communication about how the company is run internally.
- (d) A simple and transparent corporate structure driven solely by the business needs.
- (e) Strict compliance with Clause 49 of the Listing Agreement as amended from time to time.
- (f) Establishment of an efficient Corporate Structure for the management of the Company's affairs.
- (g) Management is the trustee of the shareholders' capital and not the owner.

### 2. 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 Board of Directors consists of optimal combination of Non-Executive and Independent directors during the year.

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

#### (a) Attendance of Board of Directors

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

Name of the Directors	Number of Board Meetings held during his tenure	Number of Board Meetings attended	Whether attended last AGM
Mr. Pradeep Kumar Sutodia	10	8	YES
Mr. Kishore Kumar Damani	10	7	YES
Mr. Johnny Fernandes	12	10	YES
Mr. Arun Kumar Ray	6	4	YES
Mr Ravi Kumar Mandal	6	5	YES

**(b) Board Procedure**

During the financial year 2012-2013, The Board of Directors met on the following dates: 15/05/2012, 23/05/2012, 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.

**(c) Directors seeking Appointment / Re-Appointment**

During the year director retires by rotation and being eligible offer himself for re-appointment.

**3. BOARD COMMITTEES**

Presently the Board has three Committees Audit Committee, Investor Grievances/ Share Transfer Committee and Remuneration Committee. Members of Audit Committee, investor grievances / share transfer committee, and Remuneration Committee consist of two non-executive directors & one executive director.

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

**AUDIT COMMITTEE**

Audit committee of the Board was constituted in compliance with the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement. 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**

1)	Mr. Johnny Menino Fernandes	Chairman
2)	Mr. Kishore Kumar Damani	Member
3)	Mr. Arun Kumar Ray	Member
4)	Mr. Pradeep Sutodia	Member
5)	Mr. Ravi Kumar Modal	Member

**Attendance at the audit committee meeting**

The committee met Four times during the year and quorum was present for every meeting The Audit Committee meetings during the financial year 2012-13 were held as on the following dates:

- 15<sup>th</sup> May, 2012
- 14<sup>th</sup> August, 2012
- 10<sup>th</sup> November, 2012
- 14<sup>th</sup> February, 2013

The following areas are referred to the Audit Committee

- (a) Overall assessment of the company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- (b) Recommending the appointment of external auditor, fixation of audit fees and also approval for payment for any other services.
- (c) Reviewing with management the annual financial statements before submission to the board, focusing primarily on:
  - (i) Changes, if any, in accounting policies and practices.
  - (ii) Major accounting entries based on exercise of judgment by management.
  - (iii) Observations, if any, in draft audit report.

- (iv) Significant changes/amendments, if any, arising out of audit.
  - (v) The going concern assumption.
  - (vi) Compliance with accounting standards.
  - (vii) Compliance with Stock Exchanges and Legal requirements concerning financial statements.
  - (viii) Any related party transactions i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of company at large.
- (d) Reviewing with the management, external and internal auditors and adequacy of internal control systems.
  - (e) Reviewing the adequacy of internal audit function, coverage and frequency of internal audit.
  - (f) Discussion with internal auditors any significant findings and follow up there on.
  - (g) Reviewing the findings, if any, of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
  - (h) Discussions with external auditors before the audit commencement nature and scope of audit as well as have post audit discussion to ascertain any area of concern.
  - (i) Reviewing the company's financial and risk management policies.
  - (j) To look into the reasons for substantial defaults, if any, in the payments to the creditors etc.

The Audit Committee shall exercise the following additional powers;

- (a) To investigate any activity within its terms of reference;
- (b) To seek information from any employee;
- (c) To obtain outside legal or other professional advice; and
- (d) To secure attendance of outsiders with relevant expertise, if any, if it considers necessary.

**SHARE/DEBENTURE TRANSFER & INVESTORS' GRIEVANCE COMMITTEE:**

Our Company has constituted an investors relations committee comprising of at least 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 Name of the directors who are members of the Committee and the details of meeting attended by directors is as under:-

(1)	Mr. Johnny Fernandes	Chairman
(2)	Mr. Arun Kumar Ray	Member
(3)	Mr. Kishore Kumar Damani	Member
(4)	Mr. Pradeep Sutodia	Member
(5)	Mr. Ravi Kumar Modal	Member

Share/Debtenture Transfer & Investors' Grievance Committee meetings were held during 2012-2013, on:

- 15<sup>th</sup> May, 2012
- 14<sup>th</sup> August, 2012
- 10<sup>th</sup> November, 2012
- 14<sup>th</sup> February, 2013

**REMUNERATION COMMITTEE**

(i) The Company has constituted a Remuneration Committee of Directors. The broad terms of reference of the Remuneration Committee are as under:

- (a) To approve the Annual Remuneration Plan of the Company
- (b) To approve the remuneration payable to the Managing Director
- (c) Such other matters as the Board may from time to time request the Remuneration Committee to examine and recommend / approve.

(ii) The composition of the Remuneration and the details of the meeting attended by the members of the Remuneration Committee are given below:

Name	Category	No. of Meetings during 2012-13	
		Held during the Tenure of Director	Attended by the Director
Mr. Johnny Fernandes	Chairman	3	3
Mr. Kishore Kumar Damani	Member	2	2
Mr. Ravi Kumar Mandal	Member	1	1
Mr. Pradeep Sutodia	Member	2	2
Mr. Arun Kumar Ray	Member	1	1

(iii) The Company does not have any Employee Stock Option Scheme.

(iv) The company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission (variable component) to its Managing Director. Annual increments are decided by the Remuneration Committee within the salary scale approved by the Members and are effective April 1, each year. The remuneration Committee decides on the commission payable if any to the Managing Director out of the profits for the financial year and within the ceilings prescribed under the Companies Act, 1956, based on the performance of the Company as well as that of the Managing Director. During the year, the Company paid Sitting Fee of Rs.5,000/- per meeting to its Non-Executive Directors (NEDs) for attending meetings of the Board and Rs.3,000/- per meeting for attending meeting of other Committees of the Board.

The company also reimburses any out-of-pocket expenses incurred by the Directors for attending meetings.

**4. COMPLIANCE WITH LISTING AGREEMENT**

Our company in terms of this Prospectus intends to list its equity shares on BSE and has complied with the requirements under the respective Listing Agreement of the above-mentioned stock exchanges. Further, we are in compliance with clause 49 of the listing agreement to the extent applicable to a company seeking listing for the first time.

## 5. 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 as on 31st March 2013 is detailed below:

Name of the Director	Designation	No. of Shares held
Mr. Johnny Fernandes	Managing Director	NIL
Mr. Kishore Kumar Damani	Director	NIL
Mr. Arun Kumar Ray	Director	NIL
Mr. Pradeep Kumar Sutodia	Director	NIL
Mr. Ravi Kumar Mondal	Director	NIL

## 6. 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, out of present issue in terms of the Prospectus 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.

## 7. DIRECTORS SITTING FEES FOR THE YEAR ENDED MARCH 31, 2013

Directors Sitting fees incurred of Rs .40000/- during the financial Year ended 31<sup>st</sup> March,2013 .

## 8. GENERAL BODY MEETINGS

Details of last four Annual General Meetings are as follows:

AGM	AGM Date	Location	Time	No. of Special Resolution Passed
21 <sup>st</sup>	18/06/2012	O2 Hotel, Near Airport, Kaikhali, Kolkata - 700052	03.00 pm	2
20 <sup>th</sup>	30/09/2011	O2 Hotel, Near Airport, Kaikhali, Kolkata - 700052	03.00 pm	3
19 <sup>th</sup>	30/09/2010	O2 Hotel, Near Airport, Kaikhali, Kolkata - 700052	01:00 pm	3
18 <sup>th</sup>	26/12/2009	O2 Hotel, Near Airport, Kaikhali, Kolkata - 700052	01:00 pm	1
17 <sup>th</sup>	30/09/2008	O2 Hotel, Near Airport, Kaikhali, Kolkata - 700052	02:45 pm	1

## 9. DISCLOSURES

- There are no transactions, which have a potential conflict with the interests of the Company at large subject to the notes mentioned with the notes to accounts.
- 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.

- (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 does not have a Whistle Blower policy.

## 10. 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.

## 11. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis forms part of this Annual Report

## 12. GENERAL SHAREHOLDERS INFORMATION

- (a) Listing of shares on stock exchanges and stock code

SI. NO.	Name of the Stock Exchange	Stock code
1.	The Bombay Stock Exchange Limited	532836 , SANCIA GLOBAL

### (b) Market Price Data – BSE

Month	High Price	Low Price	Close Price	No. of Shares	Total Turnover
April 2012	7.58	5.01	5.01	2471200	15375971
May 2012	5.01	3.69	4.11	814957	3470211
June 2012	4.49	3.71	4.05	390492	1602865
July 2012	4.33	3.43	3.59	379408	1489782
August 2012	3.98	2.67	2.99	496318	1534521
September 2012	4.27	2.58	4.27	329395	1016114
October 2012	4.48	2.83	3.08	280416	998112
November 2012	3.24	2.68	2.90	251361	751257
December 2012	3.69	2.81	3.45	240784	770179
January 2013	4.09	2.88	3.09	297892	1024175
February 2013	3.27	2.25	2.28	188083	501739
March 2013	2.39	1.73	1.80	263934	542329

(c) **Distribution of Shareholding**

The shareholding distribution of Equity shares as on 31.03.2013 is given hereunder: Nominal Value of each share Rs.10.00

Shareholding of Nominal Shares	Number of Shareholders	% of Total	Share Amount (Rs.)	% of Total
1 - 5000	12962	78.2540	20194220	4.6532
5001-10000	1589	9.5931	13159040	3.0321
10001-20000	900	5.4335	13983550	3.2221
20001-30000	339	2.0466	8766510	2.0200
30001-40000	171	1.0324	6202570	1.4292
40001-50000	145	0.8754	6907550	1.5916
50001-100000	234	1.4127	16892970	3.8925
100001-*****	234	1.3523	347881630	80.1593
Total	16564	100.0000	433988040	100.0000

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

The Board members have confirmed compliance with code of conduct and ethics for the period ended March 31, 2013 as provided under clause 49 of the listing agreement with the stock exchange.

By Order of the Board of Directors

Place : Mumbai  
Date : September 03, 2012

Sd/  
**Johnny Fernandes**  
*Managing Director*



## **Auditors Certificate on Corporate Governance**

To,  
The Members,  
Sancia Global Infraprojects Limited

We have examined the compliance of conditions of corporate governance by Sancia Global Infraprojects Limited for the year ended 31st March, 2013, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, We certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company. We state that no investor grievances are pending for a period exceeding 3 days against the company, as per the records maintained by the Company.

For and on behalf of

M.M.Mukherjee & Associates  
(Chartered Accountant)

Sd/-

**M.M. Mukherjee**  
(Proprietor)

Membership No. **FCA015254**

Place : Mumbai  
Date : September 03, 2012

## Independent Auditor's Report

To  
The Members of  
**Sancia Global Infraprojects Limited**  
Kolkata.

We have audited the accompanying financial statements of **M/s Sancia Global Infraprojects 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 year ended on that date, 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 year ended on that date.
  - c) In the case of the Cash Flow Statement, of the cash flows for the year 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*;
    - 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;
- 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:
- *As Stated in Note no.1 in Schedule No. 22(Notes to accounts) regarding FCCB, the maturity date of said FCCB was 13<sup>th</sup> day of February 2013. The company has given proposals to the FCCB holders to convert their bonds into fully paid equity shares and the same is under the process of negotiations. However the company has become defaulted in making payment of interest installments to FCCB holders which were due on 12<sup>th</sup> August 2012 & 12<sup>th</sup> February, 2013 during the year and total amount was Rs. 197.28 Lakhs.*
  - *As stated in Note no.2 in Schedule No. 22(Notes to accounts) there was a search and seizure action u/s 132 of the Income Tax Act 1961 had been conducted by the Income Tax Department as on 23<sup>rd</sup> day of June, 2009 and presently the matter is pending with the Income Tax Appellate Tribunal, Kolkata pursuant to Appeal filed by DCIT, Kolkata under section 253 of the Income Tax Act, 1961. However the company has not made any provision towards liability of income tax for the period covered under the aforesaid search and seizure since the management did not foresee any major income tax liability.*
  - *As stated in Note No. 3 in schedule No. 22(Notes to Accounts) the wholly owned subsidiary company i.e. Petrogrema Overseas Pte. Ltd has incurred heavy losses due to written-off of various loans & advances which could not be recovered as per the view of the management and become bad due to various reasons and consequently it will affect the going concern status of the subsidiary company. However the company has not made provision for diminution of investments in subsidiary company as required by AS-13 on "Accounting on Investments" and to that extent the losses and Reserve of the company have been understated.*
  - *Bad Debts and sundry advances has been written off, as contained in Note no.5 in schedule No. 22 which is forming part of Balance Sheet and Profit & Loss Statement, the Company has written-off the debtors and advances, having consequential effect on the profit/loss of 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.*

- *The Accumulated losses of the Company is Rs. 252.06 crores (Previous period: Loss Rs.232.57 crores) and its net worth is negative Rs. 39.28 Crores (Previous period: Negative Rs.21.07 crores) 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.As per the Note no.6 in schedule No. 22; "The Company has made a reference during the financial year 2012-13 to the "Board for Industrial & Financial Reconstruction" under section 15(1) of Sick Industrial Companies (Special Provisions) Act 1985 however the same reference has been declined by BIFR."Considering the same, the Company's ability to continue as going concern is in doubt and will depend upon any revival programme by Bankers/Government.*
- *The Company has defaulted in making payments to secured creditors and also not provided for interest on the banking facilities availed from the banks. The secured creditors had declared the account as a Non Performing Asset (NPA) and initiated notice under Section 13(2) as per the SARFAESI Act 2002.*
- *Company has not made Provision for Interest on Working Capital Facility and Term Loan availed from Indian Overseas Bank, Punjab National Bank, Bank of India and State Bank of India, pursuant to classification of its account by the concerned Banks and Financial Institution as Non-performing Assets (NPA).*
- *Balances of Loans, Sundry Debtors, Loans and Advances, deposits and Current Liabilities, are subject to confirmation from the respective parties and reconciliation, if any.*

**For M.M. Mukherjee & Associates**  
(Chartered Accountants)  
FRN:326127E

**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 Sancia Global Infraprojects Limited on the accounts of the company for the year ended 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 period ended on 31.03.2010.*

(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) As per the information and explanations given to us, the company has impaired various tangible assets 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 previous financial period ended on 31.03.2010.*

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. 0.69 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. 108.57 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.

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 I

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. Instance of continuing failure to correct any weaknesses in the internal controls has been noticed.

6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.

7. As per information & explanations given by the management, the Company has no 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 Professional tax, Sales tax and service tax.*

10. The Company has accumulated loss of Rs. 252.06 crores (Previous period loss Rs.232.57 crores) and has incurred cash loss of Rs. 1.48 Crores during the reporting period covered by our audit and cash loss of Rs. 251.54 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.

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 institution, banks or debenture holders.

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.M. Mukherjee & Associates**  
(Chartered Accountants)  
FRN:

**M.M. Mukherjee**  
(Proprietor)  
Membership No.: 015254

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

## PART I - BALANCE SHEET

SANCIA GLOBAL INFRAPROJECTS LIMITED  
BALANCE SHEET AS AT MARCH 31, 2013

PARTICULARS	Notes	31.03.2013 Rupees	31.03.2012 Rupees
<b>I. EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
(a) Share Capital	1	433,988,040	433,988,040
(b) Reserves & Surplus	2	(826,746,812)	(631,830,228)
<b>NON-CURRENT LIABILITIES</b>			
<b>(a) Long-term borrowings</b>			
(1) Secured borrowing	3	1,260,929,923	1,259,828,570
(1) Unsecured borrowing	4	1,455,571,280	1,455,571,280
<b>(b) Deferred tax Liabilities(Net)</b>		10,061,310	-
<b>(c) Long-term Provisions</b>		-	-
<b>CURRENT LIABILITIES</b>			
(a) Short-term borrowings	5	1,112,305,317	1,114,023,420
(b) Trade payables	6	441,498,071	465,198,913
(c) Other current Liabilities	7	43,642,036	43,280,153
(d) Short-term provision	8	92,047,528	92,047,532
<b>TOTAL</b>		<b>4,023,296,694</b>	<b>4,232,107,680</b>
<b>II. ASSETS</b>			
<b>Non-Current assets</b>			
<b>(a) Fixed assets</b>			
(i) Tangible assets	9	714,166,275	871,342,017
(ii) Intangible assets (Goodwill)	10	71,856,101	71,856,101
(iii) Capital Work-in-progress		-	-
(iv) Intangible assets under development		-	-
<b>(b) Non-current investment</b>	11	826,768,555	826,768,555
<b>(c) Deferred tax assets(Net)</b>			
<b>(d) Long-term loans and advances</b>			
<b>(e) Other non-current assets</b>			
<b>Current assets</b>			
(b) Inventories	12	1,204,559	1,458,709
(c) Trade receivables	13	424,422,700	438,785,392
(d) Cash and cash equivalents	14	10,828,721	22,787,749
(e) Short-term loans and advances	15	1,974,049,783	1,986,202,646
(f) Other Current assets	16	-	12,906,511
<b>TOTAL</b>		<b>4,023,296,694</b>	<b>4,232,107,680</b>
Significant Accounting Policies	21		
Notes to Accounts	22		

As Per our Report of Even date attached

For M.M. Mukherjee &amp; Associates

(Chartered Accountants)

FRN:326127E

For and on behalf of the Board

M.M. Mukherjee  
(Proprietor)  
Membership No.: 015254  
Place : Kolkata  
Date : 03.09.2013

sd/-  
Johnny Fernandes  
(Whole Time Director)

sd/-  
Mukesh Chandra Sharma  
(Director)



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

**SANCIAL GLOBAL INFRAPROJECTS LIMITED  
PROFIT & LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2013**

PARTICULARS	Notes	31.03.2013 Rupees	31.03.2012 Rupees
<b>I. Revenue From Operations</b>		<b>38,727,039</b>	67,895,428
<b>II. Cost of Sales</b>	17	<u>27,064,469</u>	<u>32,753,231</u>
<b>III. Gross profit (I-II)</b>		<u><b>11,662,570</b></u>	<u><b>35,142,197</b></u>
<b>IV. Operating expenses:</b>			
(1) Selling and marketing expenses	18	1,359,564	2,438,472
(2) Administrative expenses	19	36,699,331	2,565,603,898
(3) Depreciation and amortization of assets		157,175,743	109,170,000
(4) Foreign currency exchange gains(losses), net		-	-
<b>Total Operating Expenses</b>		<u><b>195,234,637</b></u>	<u><b>2,677,212,370</b></u>
V. (1) Results from operating activities (III - IV)		(183,572,067)	(2,642,070,173)
(2) Gains on sale of long-term investments		-	(1,027,607)
(3) Other Income		2,964,150	5,111,548
(4) Other expenses:			
(i) finance costs	20	4,247,357	13,235,424
(ii) Others			
<b>VI. Income/(Loss) before income tax</b>		<b>(184,855,273)</b>	<b>(2,651,221,656)</b>
<b>VII. Tax expenses:</b>			
(1) Current income tax		-	-
(2) Deferred income tax		(10,061,310)	164,119,016
(3) Others (Earlier years)		-	-
<b>VIII. Profit/(Loss) for the period (VI-VII)</b>		<b>(194,916,583)</b>	<b>(2,487,102,640)</b>
<b>IX. Earnings per equity share:</b>			
(1) Basic		(4.49)	(57.31)
(2) Diluted		(4.49)	(57.31)
Significant Accounting Policies	21		
Notes to Accounts	22		
<b>As Per our Report of Even date attached For M.M. Mukherjee &amp; Associates</b> (Chartered Accountants) FRN:326127E		For and on behalf of the Board	
<b>M.M. Mukherjee</b> (Proprietor) Membership No.: 015254 Place : Kolkata Date : 03.09.2013	<b>Johnny Fernandes</b> (Whole Time Director)		
<b>As Per our Report of Even date attached For M.M. Mukherjee &amp; Associates</b> (Chartered Accountants) FRN:326127E		For and on behalf of the Board	
<b>M.M. Mukherjee</b> (Proprietor) Membership No.: 015254 Place : Kolkata Date : 03.09.2013	<b>sd/- Johnny Fernandes</b> (Whole Time Director)	<b>sd/- Mukesh Chandra Sharma</b> (Director)	

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2012  
PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT**

PARTICULARS	31.03.2013	31.03.2012
	(Rs. In Lacs)	(Rs. In Lacs)
<b>A. CASH FROM OPERATING ACTIVITIES</b>		
Net Profit before extra ordinary items and Tax	(1,848.55)	(26,512.22)
<b>Adjustment for:</b>		
Depreciation	1,571.76	1,091.70
Preliminary Expenses written off	129.07	266.53
Interest debited to Profit and loss account	42.47	132.35
Other Non Operating (incomes)	-	10.28
(Profit)/ Loss on sale of Assets(Net)	-	6,874.67
Interest Credit to Profit and Loss Account	(5.24)	-
<b>Operating Profit Before Working Capital Changes</b>	<b>(110.50)</b>	<b>(18,136.68)</b>
<b>Adjustment for:</b>		
(Increase)/Decrease in Trade and other Receivables	143.63	3,797.67
(Increase)/Decrease in Inventories	2.54	69.72
(Increase)/Decrease in other Current Assets	121.53	(6,066.29)
Increase/(Decrease) Current Liabilities and Provisions	(250.57)	(6,481.90)
<b>Cash Generated From Other Operations</b>	<b>(93.37)</b>	<b>(26,817.48)</b>
Less : Income Tax Paid	-	-
<b>Cash Flow Before Extraordinary Items</b>	<b>(93.37)</b>	<b>(26,817.48)</b>
Extraordinary Items		18,352.98
<b>Net Cash from Operating Activities</b>	<b>(93.37)</b>	<b>(8,464.50)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed asset	-	(3,534.19)
Sale of Fixed Asset	-	412.70
Investment Purchased	-	65.00
<b>Net Cash Used in Investing activities</b>	<b>-</b>	<b>(3,056.49)</b>
<b>C. CASH FROM FINANCING ACTIVITIES</b>		
Repayment / Conversion of Borrowings	11.01	11,429.56
Inrerest/Divident received	5.24	-
Interest paid	(42.47)	(132.35)
<b>Net Cash used in Financing Activities</b>	<b>(26.22)</b>	<b>11,297.21</b>
<b>Net Increase in Cash and Cash Equivqlents (A)+(B)+(C )</b>	<b>(119.59)</b>	<b>(223.79)</b>
<b>Cash &amp; Cash Equivalent (Opening Balance)</b>	<b>227.88</b>	<b>451.67</b>
<b>Cash &amp; Cash Equivalent (Closing Balance)</b>	<b>108.29</b>	<b>227.88</b>

As Per our Report of even date attached.

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

For and on behalf of the Board

**M.M. Mukherjee**  
(Proprietor)  
Membership No.: 015254

sd/- **Johnny Fernandes** (Whole Time Director)  
sd/- **Mukesh Chandra Sharma** (Director)

Place: Kolkata  
Date : 03.09.2013

**SANCIAL GLOBAL INFRAPROJECTS LIMITED**  
**NOTES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS STATEMENTS**

Particulars	31.03.2013 Rupees	31.03.2012 Rupees
<b><u>NOTE - 1 : SHARE CAPITAL</u></b>		
<b><u>AUTHORISED SHARE CAPITAL</u></b>		
7,50,00,000 Equity share of Rs. 10/- each	<u>750,000,000</u>	<u>750,000,000</u>
(P.Y. 7,50,00,000 Equity share of Rs. 10/- each		
<b><u>ISSUED, SUBSCRIBED &amp; PAID UP SHARE CAPITAL</u></b>		
4,33,98,804 Equity Shares at Rs.10/- each	<u>433,988,040</u>	<u>433,988,040</u>
(P.Y.4,33,98,804 Equity Shares at Rs.10/- each )		
<b><u>NOTE - 2 : RESERVE &amp; SURPLUS</u></b>		
<b>Capital Reserve</b>	7,150,000	7,150,000
<b>Profit &amp; Loss Account</b>	(194,916,583)	(2,487,102,640)
(Balance as per Profit & Loss Account)		
Add: Profit brought forward	<u>(2,325,734,484)</u>	<u>161,368,155</u>
	(2,520,651,068)	(2,325,734,484)
<b>Securities Premium Account</b>	1,686,754,256	1,686,754,256
(As per Last Balance Sheet)		
	<u>(826,746,812)</u>	<u>(631,830,228)</u>
<b><u>NOTE - 3 : SECURED BORROWINGS</u></b>		
<b>a) TERM LOANS</b>		
From Banks		
Term Loan Secured by hypothecation charges on the Machineries /Equipments besides	822,974,197	818,872,844
being collaterally secured by Mortgage of Land & Building & personal guarantee of		
Directors of the company alongwith the corporate guarantee of Group companies		
<b>b) WORKING CAPITAL LOANS</b>		
From Banks		
Secured by hypothecation of entire current assets consisting of Book Debts, Stores &	437,955,726	440,955,726
Spares besides collaterally secured by Mortgage of Land & Building & personal		
guarantee of Directors of the company alongwith the corporate guarantee of Group		
companies		
	<u>1,260,929,923</u>	<u>1,259,828,570</u>
<b><u>NOTE - 4 : UNSECURED BORROWINGS</u></b>		
Foreign Currency Convertible Bond	<u>1,455,571,280</u>	<u>1,455,571,280</u>
	<u>1,455,571,280</u>	<u>1,455,571,280</u>
<b><u>NOTE - 5 : SHORT-TERM BORROWINGS</u></b>		
Other Borrowings	33,482,782	20,350,000
Loan Received from Intercompany Group	<u>1,078,822,535</u>	<u>1,093,673,420</u>
	<u>1,112,305,317</u>	<u>1,114,023,420</u>
<b><u>NOTE - 6 : TRADE PAYABLES</u></b>		
Sundry Creditors	<u>441,498,071</u>	<u>465,198,913</u>
	<u>441,498,071</u>	<u>465,198,913</u>
<b><u>NOTE - 7 : OTHER CURRENT LIABILITIES</u></b>		
Other Outstanding Liabilities	3,969,493	4,219,077
Duties and Taxes	<u>39,672,543</u>	<u>39,061,077</u>
	<u>43,642,036</u>	<u>43,280,153</u>
<b><u>NOTE - 8 : SHORT TERM PROVISION</u></b>		
Provision for Income Tax	<u>92,047,528</u>	<u>92,047,528</u>

## Note 9 : TANGIBLE ASSETS

Particulars	Gross Block				Depreciation				Impairment Loss	Net Block	
	As at 31.03.12	Additions during the year	Deductions and / or transfers	As at 31.03.13	As at 31.03.12	During the Year	Deductions and / or transfers	As at 31.03.12		As at 31.03.13	As at 31.03.12
<b>Tangible Assets:</b>											
Freehold Land	80,382,505	-	-	80,382,505	-	-	-	-		80,382,505	80,382,505
Building (Workshop)	12,548,398	-	-	12,548,398	786,341	419,116	-	1,205,457		11,342,941	11,762,057
Earth Moving Equipments	879,585,961	-	-	879,585,961	443,668,871	99,481,172	-	543,150,044	39,683,343	296,752,574	435,917,090
Machinery & Equipments	342,195,470	-	-	342,195,470	8,127,143	16,254,285	-	24,381,428		317,814,042	334,068,327
Computers	3,560,000	-	-	3,560,000	2,614,654	577,076	-	3,191,730		368,270	945,346
Office Equipment	8,636,409	-	-	8,636,409	2,297,257	410,229	-	2,707,486		5,928,923	6,339,152
Furniture & Fixtures	3,377,413	-	-	3,377,413	2,157,832	213,790	-	2,371,622		1,005,791	1,219,581
Motor Vehicles	1,439,268	-	-	1,439,268	731,309	136,730	-	868,040		571,228	707,959
<b>TOTAL</b>	<b>1,331,725,424</b>	<b>-</b>	<b>-</b>	<b>1,331,725,424</b>	<b>460,383,407</b>	<b>117,492,400</b>	<b>-</b>	<b>577,875,806</b>	<b>39,683,343</b>	<b>714,166,275</b>	<b>871,342,017</b>
<b>PREVIOUS YEAR</b>	<b>1,963,981,661</b>	<b>353,419,065</b>	<b>985,675,302</b>	<b>1,331,725,424</b>	<b>608,151,488</b>	<b>109,170,000</b>	<b>256,938,081</b>	<b>460,383,407</b>	<b>-</b>	<b>871,342,017</b>	<b>1,355,830,173</b>

**SANCIAL GLOBAL INFRAPROJECTS LIMITED**  
**NOTES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS STATEMENTS**

Particulars	31.03.2013 Rupees	31.03.2012 Rupees
<b><u>NOTE - 10 : INTANGIBLE ASSETS</u></b>		
Goodwill (acquired on purchase of Undertaking of Associate Co.)	<u>71,856,101</u>	<u>71,856,101</u>
<b><u>NOTE - 11 : NON CURRENT INVESTMENTS</u></b>		
<b>Long Term Investments</b>		
<b>Unquoted</b>		
Investment in Subsidiary	819,322,720	819,322,720
Petrogrema Overseas Pte Ltd.(Wholly owned subsidiary)	7,445,835	7,445,835
Fixed Deposit with Banks	<u>826,768,555</u>	<u>826,768,555</u>
<b><u>NOTE - 12 : INVENTORIES</u></b>		
Raw material	48,919	48,919
Stock in process	-	-
Finished goods	618,790	618,790
Stores and Spares	536,850	791,000
(At Cost, as taken Valued & Certified by the Management)	<u>1,204,559</u>	<u>1,458,709</u>
<b><u>NOTE - 13 : TRADE RECEIVABLES</u></b>		
Current Receivables		
Non Current Receivables	424,422,700	438,785,392
	<u>424,422,700</u>	<u>438,785,392</u>
<b><u>NOTE - 14 : CASH &amp; CASH EQUIVALENTS</u></b>		
Cash in hand	281,300	77,161
Balance with Banks	9,821,797	21,984,964
Balance with Foreign Banks and Overseas Branches of Schedule Banks	725,624	725,624
	<u>10,828,721</u>	<u>22,787,749</u>
<b><u>NOTE - 15 : SHORT-TERM LOANS &amp; ADVANCES</u></b>		
<b>Deposits</b>		
Deposits	4,895,398	4,599,501
Advance Against Capital Goods	1,348,843,234	1,348,843,234
Advance recoverable in cash or kind	208,725,659	222,291,833
Tax Deduction at Source & Payment of Income Tax	99,493,147	98,375,733
<b>Loans to Subsidiaries</b>		
Loans to Subsidiaries	312,092,345	624,184,690
Less : Loans Written off	-	312,092,345
Sub-Total	<u>312,092,345</u>	<u>312,092,345</u>
	<u>1,974,049,783</u>	<u>1,986,202,646</u>
<b><u>NOTE - 16 : OTHER CURRENT ASSETS</u></b>		
<i>(To the extent not written off or adjusted)</i>		
Share Issue Expenses	12,906,511	39,559,291
Sub-Total	<u>12,906,511</u>	<u>39,559,291</u>
Less: Amount Written off	<u>12,906,511</u>	<u>26,652,780</u>
	<u>-</u>	<u>12,906,511</u>
<b><u>NOTE - 17 : COST OF SALES</u></b>		
Sub-Contract & Hire Charges	3,108,150	-
Repair & Maintenance : Machineries / Equipments	10,993,896	8,180,311
Transportation Expenses	2,416,630	3,326,179
Rent, Rates & Taxes & Insurances	2,964,797	4,791,072
Labour Expenses & Wages	7,326,846	8,815,726
(Increase)/Decrease in stores & Spares	254,150	7,639,943
	<u>27,064,469</u>	<u>32,753,231</u>
<b><u>NOTE - 18 : SELLING AND MARKETING EXPENSES</u></b>		
Advertisement & Sales promotion Exp.	284,008	262,281
Travelling & Conveyance Expenses	904,420	1,732,714
Telephone Expenses	171,136	443,477
	<u>1,359,564</u>	<u>2,438,472</u>

**SANCIAL GLOBAL INFRAPROJECTS LIMITED**

**NOTES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS STATEMENTS**

Particulars	31.03.2013 Rupees	31.03.2012 Rupees
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**NOTE - 19 : ADMINISTRATIVE EXPENSES**

Salary & Staff welfare Expenses	3,113,735	6,791,321
Directors Sitting Fees	40,000	10,000
Legal & Professional Fees	1,823,585	1,888,244
Repair & Maintenance	315,476	263,237
Loss on sale of Machineries / Equipments	-	692,578,940
Postage & Courier Expenses	118,502	161,672
Printing & Stationery	231,840	416,255
General Expenses	278,674	466,653
Rent, Rates and taxes	875,816	567,023
Auditors Remuneration	56,180	50,000
Power, fuel & Electricity Exp.	266,911	459,722
Sundry Expenditure written off	12,906,511	26,652,780
Sundry Investment in Subsidiary Company written-off	-	819,322,720
Sundry Loans & Advances written-off	9,171,455	869,713,534
Provision for Bad & Doubtful Debts	-	146,261,797
Bad Debts Written-off	7,500,646	-
	<b><u>36,699,331</u></b>	<b><u>2,565,603,898</u></b>

**NOTE - 20 : INTEREST & FINANCE CHARGES**

On Term Loan	4,101,353	3,983,336
On Cash Credit	-	-
Interest on FCCB	-	8,393,219
Bank and Finance charges	146,004	858,869
	<b><u>4,247,357</u></b>	<b><u>13,235,424</u></b>

## SIGNIFICANT ACCOUNTING POLICIES

### NOTE - 21

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

- a) The financial statements are prepared in accordance with Generally Accepted Accounting Principles (Indian GAAP) under the historical cost convention on accrual basis and on principles of going concern. The accounting policies are consistently applied by the Company except where otherwise stated.
- b) The financial statements are prepared to comply in all material respects with the accounting standards notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.
- c) The preparation of the financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known / materialized.
- d) *During the financial year 2012-13; figures related to the financial year 2009-10 has been presented on the basis of regenerated and/or reconstructed records prepared on the basis of bank statements, residuary information's and on the basis of management representations due to the loss of financials and other records while shifting of office documents and furniture from corporate office (Mumbai) to registered office (Kolkata).*

#### 2. Fixed Assets:

- a) Fixed Assets are stated at cost, less accumulated depreciation, less impairment, if any. Cost comprises the purchase price and any attributed cost of bringing the assets to its working condition for its intended use.
- b) Depreciation on the fixed assets has been provided on straight line method at the rates prescribed and in the manner specified in schedule XIV to the Companies Act, 1956.

#### 3. Impairment of Assets

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

#### 4. Investments:

Investments are classified as current and Non-current investments. Current investments are stated at lower of cost or market value. Non-current investments are stated at cost. A provision for diminution is made to recognize a decline, other than temporary in the value of long term investments.

**5. Foreign Currency Transactions:**

- a) Initial Recognition – Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.
- b) Conversion – Foreign currency monetary items are reported using the closing rate. Non-monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate on the date of transaction.
- c) Exchange differences - Exchange differences arising on the settlement or conversion of monetary current assets and liabilities are recognized as income or as expense in the year in which they arise.
- d) Forward Exchange Contracts – The Company enters into Forward Exchange Contracts which are not intended for trading or speculation purposes. 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 year 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 year.

**6. Inventories**

- a) Raw materials are valued at cost or net realizable value whichever is lower.
- b) Stores and spares are valued at cost or net realizable value whichever is lower.
- c) Finished goods are valued at cost value.

**7. Revenue Recognition:**

- a) Revenue from Rental / Hiring of Equipments / Machineries is recognized, when the said assets are deployed and such revenue are contractually earned.
- b) Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have been passed to the buyers. Sales revenue is net of sales return, discounts and rebates.
- c) Rebates / Discounts on Sales are accounted for in the year of settlement.
- d) The Company generally follows the mercantile system of accounting and recognizes income and expenditure on accrual basis except those with significant uncertainties when such revenue is recognized on their realization.
- e) Receipts for Performance which are yet to be given or cost yet to be incurred in subsequent periods are classified as unearned revenue.
- f) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

**8. Employees' Retirement Benefits:**

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



**9. Borrowing Cost :-**

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

**10. Earnings per Share:**

- a) 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.
- b) For the purpose of calculating diluted earnings per share, the profit after tax for the period and the Weighted average number of Equity Shares are adjusted for the effects of all dilutive Equity Shares.

**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.

**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.

**13. Miscellaneous Expenditure:**

Miscellaneous expenditure represents ancillary cost incurred in connection with the arrangement of borrowings (FCCB) and share issue expenses. It is decided to write off share issue expenses over the lower of a period of five years and the bond issue expenses are being amortized over the period of arrangement on a pro-rata basis.

## NOTE - 22

### NOTES TO ACCOUNTS

1. The company has issued Foreign Currency Convertible Bonds (FCCBs) of the nominal value of USD 50 million, having a maturity period of 5 years. As per the terms of the offering circular issued by the company for FCCBs the bonds carry interest on 1% payable half yearly on 12th February & 12th August respectively each year, and the Bonds are convertible into fully paid equity shares of the Company at any time on or after February 27, 2008 and up to January 29, 2013, unless previously redeemed, converted or re-purchased and cancelled.

In accordance with the offering Circular dated February 01, 2008 issued by the Company, under condition 6 (C) (XXIX) of the said offering Circular with effect from February 12, 2009 the Conversion Price of the Bond is re-set at Rs. 282.27 from Rs. 376.36. Further, during the year 2012-13, due to the stringent financial position, the Company has not been able to discharge its interest payment obligations of Rs. 197.28 Lacs on the said Bonds, which was due for payment on 12<sup>th</sup> August 2012 & 12<sup>th</sup> February 2013.

As per the Offering Circular, in the event of non-conversion of said Bonds into equity shares of the Company, the same shall be redeemed at 137.24 % of principal amount. The management has not made any provision in the books of account towards any liability that may fall on the Company, in the eventuality of redemption of the Bonds.

2. There was a search and seizure action u/s 132 of the Income Tax Act 1961 had been conducted by the Income Tax Department as on 23<sup>rd</sup> June, 2009 and presently the matter is pending with the Income Tax Appellate Tribunal, Kolkata pursuant to Appeal filed by DCIT, Kolkata under section 253 of the Income Tax Act, 1961. Considering the same no provision has been made for liability of income tax for the period covered under the aforesaid search and seizure.
3. Foreseeing the huge developments taking place in MENA market (Middle East, North Africa) the Company undertook huge expansion plans and had taken up multiple projects at the same time, and signed an agreement with CNPC's subsidiary in China named BOMCO for 40 rigs for a value of more than one billion US dollar, which business was to be taken up by the wholly owned subsidiary company i.e. Petrogrema overseas PTE. Ltd and substantial investment was made in the subsidiary to facilitate the overseas body to setup the business of Oil rigs and Mines. However, due to worldwide recession in the economy and tightening of financial resources in the world market, company could not size up funds that were required for 40 rigs which were committed to CNPC, as a result of which payments made to CNPC as well as various other suppliers got stuck and the monies advanced to them could not be recovered because of financial closure and also the project could not completed on time. The Company had signed mandates with 2 First Class Banks and 1 top M&A firm from U.K who were not able to raise the debt as required due to financial recession worldwide.

All the above has resulted in huge losses to its wholly owned subsidiary company i.e. Petrogrema Overseas Pte. Ltd. resulting in complete erosion of its Net worth. In view of the above, as a conservative approach and in line with the accounting policy on diminution of investment being followed by the Company, the management decided to write off the value of investments in its subsidiary as well as Loans by Rs. 8193.22 Lacs and Rs. 3120.92 Lacs respectively during the financial year 2011-12.

During the financial year 2012-13 the wholly owned subsidiary company i.e. Petrogrema Overseas Pte. Ltd has incurred heavy losses due to written-off of various loans & advances (Rs.103.31 Crores) which could not be recovered as per the view of the management and become bad due to various reasons mentioned hereinabove.

4. Loss for the year is inclusive of loss of Rs.396.83 Lacs being loss on impairment of old machineries/equipments due to efflux of time, wear and tear and more so due to technological obsolescence, some of the machines have been rendered of no use and have very little or scrap value. Further, the cost of operations and maintenance of such old machines was very high as such could not withstand the competition from the similar modern machines/equipments in the market. The Company could not replace the said machines/equipments due to its financial crisis. Hence to avoid high maintenance cost of such equipment's, the same were scrapped during the year, and impairment loss has been duly recorded as per the decision of the management.
5. During the year, the Company has written-off Rs.75.01 Lacs towards bad & doubtful debts, being disputed balances with Sundry Debtors which are outstanding for more than 1 year, which are under various stages of negotiations and settlement however the management of the Company is not confident of recovery of these Debts. Based on analysis of each account by the management is has been decided to written off such debts.
6. The accumulated loss of the Company as on 31.03.2013 is more than 100% of its net worth during the year and immediately preceding the financial year and as such falls within the definition of "sick industrial Company" under section 46(AA) (i) of the Companies (Second Amendment) Act, 2002 . The Net Worth of the company had also been eroded during the financial year 2011-12 itself resulting, the Company had become a sick industrial company within the meaning of section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985.

The company has made a reference during the financial year 2012-13 to the "Board for Industrial & Financial Reconstruction" under section 15(1) of Sick Industrial Companies (Special Provisions) Act 1985 however the same reference has been declined by BIFR.

7. There is an inquiry has been initiated by "office of Registrar of companies (West Bengal)" for contravention of section 68 of the companies Act, 1956 however the company has filed the application under section 621A of the companies Act 1956 for compounding of offence u/s 68 of the said Act.

8. **Contingent Liabilities :-**

**8(i) Liability towards Corporate and Bank guarantees:-**

(Rs. in Lacs)

<b>Particulars</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
a) Contingent Liability not Provided for		
b) Bank Guarantee	29.00	29.00
c) Corporate Guarantee given to and on behalf of the following Group Companies :- 1) Greenearth Resources & Projects Ltd. 2) New saw Infraprojects Ltd. 3) Sancia Infraglobal Private Limited	57965.00	57965.00

**8(ii) Service Tax Liability: - The inquiry/case against the service tax liability was initiated by the "Directorate General of Central Excise Intelligence, Ahmedabad Zonal Unit however the service tax liability is not materialize.**

9. The company does not possess information as to which of its suppliers are ancillary industrial undertaking/small scale industrial undertaking holding permanent registration certificates issued by the Directorate of Industries of a state or union territory, consequently :-

- a) The total outstanding dues of small scale industrial undertaking cannot be ascertained.
- b) The names of the small scale industrial undertaking to whom the company owed sums for more than 45 days cannot be ascertained.

10. Details of Managerial remuneration under section 198 of the companies Act, 1956

Salaries and Allowances Rs.4.80 Lakhs (P.Y. Rs. 4.80 Lacs)

Sitting Fees to Non-executive Directors Rs.0.40 Lakhs (P.Y. Rs. 0.50 Lacs)

**The Company has the following wholly owned Subsidiary, the details are as under:**

<b>Name of the subsidiary</b>	<b>Petrogrema Overseas PTE Limited</b>
Country of incorporation or residence	Singapore
Proportion of ownership interest	100%

The Subsidiary of the Company has incurred heavy losses, which has also affect the assumption of going concern of Subsidiary company.

**12. Auditors' Remuneration includes**

(Rs. in lacs)

Particulars	2012-13	2011-12
a) Audit Fees	0.45	0.40
b) Tax Audit Fees	0.11	0.10
<b>Total</b>	<b>0.56</b>	0.50

**13. Segment Reporting:**

During the financial year 2012-13 the company was primarily engaged in single business segment viz Rental/ Hiring of construction Equipments /machineries and further the Company does not have any material earnings emanating outside India, the Company is Considered to operate only in the domestic segment .

**14. Related Party Disclosures :-****Key Managerial Personnel of the company:**

Sr. No.	Name of Managerial Personnel	Nature of Relationship
1.	Mr. Arun Kumar Ray	Director
2.	Mr. Johnny Fernandes	Managing Director
3.	Mr. Kishor Kumar Damani	Director
4.	Mr. Pradeep Sutodia	Director

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

- a. Sancia Infraglobal Private Limited
- b. Greenerth Resources & Projects Limited

**Subsidiary Company**

- a. Petrogrema Overseas Pte. Ltd. (Wholly owned subsidiary : Singapore)

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

The basic earnings per share ("EPS") is computed by dividing the Net Profit after tax for the year by the weighted average number of equity shares. For the purpose of calculating diluted earnings per share, Adjusted Net profit after tax for the year and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. However we have not reported diluted "EPS" since the potential equity shares are Anti-dilutive in nature.

**Computation of Earnings Per Share (AS-20): Basic & Diluted)**

Particulars	31.03.2013	31.03.2012
Amounts used as numerator in calculating Basic EPS(Rs.)	19,49,16,583	248,71,02,640
No. of Equity shares used as denominator	4,33,98,804	4,33,98,804
Nominal value per Equity shares (Rs.)	10/-	10/-
Earnings/(Loss) per share (Basic and diluted) (Rs.)	(4.49)	(57.31)

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

Particulars	As at 31.03.2012	Charge/Credit for the Period	As at 31.03.2013
(a) Deferred Tax Liability (Due to Depreciation)	-	(100.61)	(100.61)
(b) Deferred Tax Assets Others	-	-	-
Net Deferred tax liability (a-b)	-	(100.61)	(100.61)

As per AS-22 "Accounting for Taxes on Income", deferred tax assets should be recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

During the financial year 2011-12, the Net worth was fully eroded and the management was not expecting any taxable income in the near future and accordingly Deferred Tax Assets (DTA) is recognized to the extent of Deferred Tax Liability (DTL).

As the Income tax matter is pending with the Income Tax Appellate Tribunal, Kolkata pursuant to Appeal filed by DCIT, Kolkata under section 253 of the Income Tax Act, 1961 only the timing difference of depreciation has been considered during the financial year 2012-13 and deferred tax liability of Rs. 100.61 Lacs is recognized and carried forward.

**17. Expenditure in Foreign Currency:-**

(Rs. in Lacs)

Particulars	31.03.2013	31.03.2012
Interest on FCCB	-	83.93
Total	-	83.93

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

## 19. Balance Sheet Abstract and company's general Business Profile:-

### I . Registration Details :

Registration No. 052026 State Code 021

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

Public Issue	0.00	Right Issue	0.00
Bonus Issue	0.00	Private Placement	0.00
Others	0.00		

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

Total Liabilities	40,232.97	Total Assets	40,232.97
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#### Sources of Funds

Paid up capital	4,339.88
Reserve & Surplus	(8,267.47)
Secured Loan	12,609.30
Unsecured Loan	14,555.71
Deferred Tax Liability	100.61

#### Application of Funds

Net Fixed Assets	7,860.22
Investment	8,267.69
Net Current Asses	7,210.13
Misc. Expenditure	-

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

Turnover	387.27	Total Expenditure	2235.82
Profit before Tax	-1848.55	Profit/(loss) After Tax	-1949.17
Earning per Share	-4.49	Dividend Rate %	0%

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

( as per monetary terms )

Item Code ( ITC code ) : 7305  
 Service Description : Presently the company is primarily engaged in the business of Rental/Hiring of heavy construction Equipments.

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

(Chartered Accountants)

FRN:

**M.M. Mukherjee**

(Proprietor)

Membership No.: 015254

Place: **Kolkata**

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

**For and on behalf of the Board**

sd/-

**Johnny Fernandes**  
(Whole Time Director)

sd/-

**Mukesh Chandra Sharma**  
(Director)

## CONSOLIDATED ACCOUNTS

### AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS OF SANCIA GLOBAL INFRA PROJECTS LIMITED AND ITS SUBSIDIARY

To,  
The Board of Directors of Sancia Global Infraprojects Limited  
Kolkata

- 1) We have audited the attached Balance Sheet of M/s Sancia Global Infraprojects Limited as at 31st March, 2013 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from any material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) We did not audit the financial statements of the subsidiary for the year ended on 31st December 2012. These financial Statements have been audited by other auditors. The accounts of its overseas subsidiary i.e. Petrogrema Overseas PTE Ltd., has been consolidated on the basis of Unaudited financial statements for the period ended on 31st March, 2013.
- 4) 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.
- 5) In our opinion and to the best of our information and according to the explanations given to us, the said Consolidated financial statements read together with Significant Accounting Policies and Notes on Accounts forming part thereof, give the information required by the Companies Act, 1956, in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India;
  - I. In the case of Consolidated Balance Sheet, of the state of affairs of the Company as at 31st March 2013
  - II. In the case of Consolidated Profit and Loss Statement, of the Loss for the year ended on that date; and
  - III. In the case of Consolidated Cash Flow Statement of the cash flows for the year ended on that date.

**For M.M. Mukherjee & Associates**  
(Chartered Accountants)  
FRN: 326127E

**M.M. Mukherjee**  
(Proprietor)  
Membership No.: 015254  
Place : **Kolkata**  
Date : 03<sup>rd</sup> September, 2013



**PART I - BALANCE SHEET**  
**SANCIA GLOBAL INFRAPROJECTS LIMITED**

**BALANCE SHEET AS AT MARCH 31, 2013**

PARTICULARS	Notes	31.03.2013 Rupees	31.03.2012 Rupees
<b>I. EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
(a) Share Capital	1	433,988,040	433,988,040
(b) Reserves & Surplus	2	(2,093,949,533)	(1,714,159,030)
<b>SHARE APPLICATION MONEY</b>			
		-	-
<b>NON-CURRENT LIABILITIES</b>			
<b>(a) Long-term borrowings</b>			
(1) Secured borrowing	3	1,260,929,923	1,259,828,570
(1) Unsecured borrowing	4	1,455,571,280	1,455,571,280
<b>(b) Deferred tax Liabilities(Net)</b>		10,061,310	-
<b>(c) Long-term Provisions</b>		-	-
<b>CURRENT LIABILITIES</b>			
(a) Short-term borrowings	5	1,243,172,881	1,975,199,734
(b) Trade payables	6	441,498,071	465,198,913
(c) Other current Liabilities	7	50,823,942	47,894,358
(d) Short-term provision	8	92,047,528	92,047,528
<b>TOTAL</b>		<b>2,894,143,443</b>	<b>4,015,569,394</b>
<b>II. ASSETS</b>			
<b>Non-Current assets</b>			
<b>(a) Fixed assets</b>			
(i) Tangible assets	9	714,166,274.75	871,342,017
(ii) Intangible assets (Goodwill)	10	71,856,101	126,033,539
(iii) Capital Work-in-progress		-	-
(iv) Intangible assets under development		-	-
<b>(b) Non-current investment</b>	11	7,445,835	7,445,835
<b>(c) Deferred tax assets(Net)</b>			
<b>(d) Long-term loans and advances</b>			
<b>(e) Other non-current assets</b>			
<b>Current assets</b>			
(b) Inventories	12	1,204,559	1,458,709
(c) Trade receivables	13	424,422,700	438,785,392
(d) Cash and cash equivalents	14	13,071,151	24,477,230
(e) Short-term loans and advances	15	1,661,976,822	2,533,120,160
(f) Other Current assets	16	-	12,906,511
<b>TOTAL</b>		<b>2,894,143,443</b>	<b>4,015,569,394</b>
Significant Accounting Policies	21		
Notes to Accounts	22		
<b>As Per our Report of Even date attached</b>			
<b>For M.M. Mukherjee &amp; Associates</b>		For and on behalf of the Board	
(Chartered Accountants)			
FRN:326127E			
<b>M.M. Mukherjee</b>		<b>sd/-</b>	<b>sd/-</b>
(Proprietor)		<b>Johnny Fernandes</b>	<b>Mukesh Chandra Sharma</b>
Membership No.: 015254		(Whole Time Director)	(Director)
Place : Kolkata			
Date : 03.09.2013			

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

**SANCIAL GLOBAL INFRAPROJECTS LIMITED  
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2013**

PARTICULARS	31.03.2013 Rupees	31.03.2012 Rupees
<b>I. Revenue From Operations</b>	38,727,039	67,895,428
<b>II. Cost of Sales</b>	27,064,469	32,753,231
<b>III. Gross profit (I-II)</b>	<u>11,662,570</u>	<u>35,142,197</u>
<b>IV. Operating expenses:</b>		
(1) Selling and marketing expenses	1,412,145	2,438,472
(2) Administrative expenses	1,070,702,741	4,001,534,186
(3) Depreciation and amortization of assets	157,175,743	109,170,000
(4) Foreign currency exchange gains(losses), net	-	-
<b>Total Operating Expenses</b>	<u>1,229,290,628</u>	<u>4,113,142,658</u>
<b>V. (1) Results from operating activities (III - IV)</b>	(1,217,628,058)	(4,078,000,460)
(2) Gains on sale of long-term investments	-	(1,027,607)
(3) Other Income	2,964,150	5,111,548
(4) Other expenses:		
(i) finance costs	4,272,017	13,299,276
(ii) Others	-	-
<b>VI. Income/(Loss) before income tax</b>	(1,218,935,924)	(4,087,215,795)
<b>VII. Tax expenses:</b>		
(1) Current income tax		
(2) Deferred income tax	(10,061,310)	164,119,016
(3) Others (Earlier years)	-	-
<b>VIII. Profit/(Loss) for the period (VI-VII)</b>	<b>(1,228,997,234)</b>	<b>(3,923,096,779)</b>
<b>IX. Earnings per equity share:</b>		
(1) Basic	(28.32)	(90.40)
(2) Diluted	(28.32)	(90.40)
<b>As Per our Report of Even date attached</b>		
<b>For M.M. Mukherjee &amp; Associates</b> (Chartered Accountants) FRN:326127E	For and on behalf of the Board	
<b>M.M. Mukherjee</b> (Proprietor) Membership No.: 015254 Place : Kolkata Date : 03.09.2013	<b>sd/-</b> <b>Johnny Fernandes</b> (Whole Time Director)	<b>sd/-</b> <b>Mukesh Chandra Sharma</b> (Director)

**CONSOLIDATED CASH FLOW STATEMENT**  
**ANNEXED TO THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013**

PARTICULARS	31.03.2013	31.03.2012
	(Rs. In Lacs)	(Rs. In Lacs)
<b>A. CASH FROM OPERATING ACTIVITIES</b>		
Net Profit before extra ordinary items and Tax	(12,189.36)	(40,872.16)
<b>Adjustment for:</b>		
Depreciation	1,571.76	1,091.70
Preliminary Expenses written off	129.07	266.53
Interest debited to Profit and loss account	42.72	132.99
Other Non Operating (incomes)	-	10.28
Foreign currency fluctuation Reserve	(9,805.91)	-
(Profit)/ Loss on sale of Assets(Net)	-	6,874.67
Interest Credit to Profit and Loss Account	(5.24)	-
<b>Operating Profit Before Working Capital Changes</b>	(20,256.97)	(32,495.99)
<b>Adjustment for:</b>		
(Increase)/Decrease in Trade and other Receivables	143.63	3,798.86
(Increase)/Decrease in Inventories	2.54	69.72
(Increase)/Decrease in other Current Assets	9,253.20	20,188.69
Increase/(Decrease) Current Liabilities and Provisions	(7,527.98)	(15,379.29)
<b>Cash Generated From Other Operations</b>	(18,385.58)	(23,818.01)
Less : Income Tax Paid	-	-
<b>Cash Flow Before Extraordinary Items</b>	(18,385.58)	(23,818.01)
Extraordinary Items	18,297.98	32,667.62
<b>Net Cash from Operating Activities</b>	<b>(87.60)</b>	<b>8,849.61</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed asset	-	(3,534.19)
Sale of Fixed Asset	-	412.70
Investment Purchased	-	65.00
<b>Net Cash Used in Investing activities</b>	<b>-</b>	<b>(3,056.49)</b>
<b>C. CASH FROM FINANCING ACTIVITIES</b>		
Repayment / Conversion of Borrowings	11.01	(6,594.72)
Inrerest/Divident received	5.24	-
Interest paid	(42.72)	132.99
<b>Net Cash used in Financing Activities</b>	<b>(26.47)</b>	<b>(6,461.73)</b>
<b>Net Increase in Cash and Cash Equivqlents (A)+(B)+(C )</b>	(114.06)	(668.61)
<b>Cash &amp; Cash Equivalents (Opening Balance)</b>	244.76	913.37
<b>Cash &amp; Cash Equivalents (Closing Balance)</b>	<b>130.70</b>	<b>244.76</b>

As Per our Report of even date attached.

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

(Chartered Accountants)

**M.M. Mukherjee**

(Proprietor)

Membership No.: 015254

Place: Kolkata

Date : 03.09.2013

For and on behalf of the Board

sd/-

**Johnny Fernandes**  
(Whole Time Director)

sd/-

**Mukesh Chandra Sharma**  
(Director)

**SANCIAL GLOBAL INFRAPROJECTS LIMITED**  
**NOTES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS STATEMENT**

Particulars	31.03.2013 Rupees	31.03.2012 Rupees
<b><u>NOTE - 1 : SHARE CAPITAL</u></b>		
<b><u>AUTHORISED SHARE CAPITAL</u></b>		
7,50,00,000 Equity share of Rs. 10/- each (P.Y. 7,50,00,000 Equity share of Rs. 10/- each)	750,000,000	750,000,000
<b><u>ISSUED, SUBSCRIBED &amp; PAID UP SHARE CAPITAL</u></b>		
4,33,98,804 Equity Shares at Rs.10/- each (P.Y.4,33,98,804 Equity Shares at Rs.10/- each )	433,988,040	433,988,040
<b><u>NOTE - 2 : RESERVE &amp; SURPLUS</u></b>		
Capital Reserve on consolidation	1,829,798,119	-
<b>Capital Reserve</b>	7,150,000	7,150,000
<b>Foregin currency Translation Reserve</b>	(587,251,620)	393,339,767
<b>Profit &amp; Loss Account</b> (Balance as per Profit & Loss Account)	(1,228,997,234)	(3,923,096,780)
Add: Profit brought forward	(3,801,403,053)	121,693,727
Sub-Total	(5,030,400,288)	(3,801,403,053)
<b>Securities Premium Account</b> (As per Last Balance Sheet)	1,686,754,256	1,686,754,256
	<b><u>(2,093,949,533)</u></b>	<b><u>(1,714,159,030)</u></b>
<b><u>NOTE - 3 : SECURED BORROWINGS</u></b>		
<b>a) TERM LOANS</b>		
From Banks		
Term Loan Secured by hypotehcation charges on the Machineries /Equipments besides being collaterally secured by Mortgage of Land & Building & personal guarantee of Directors of the company alogwith the corporate guarantee of Group companies	822,974,197	818,872,844
<b>b) WORKING CAPITAL LOANS</b>		
From Banks		
Secured by hypotheccation of entire current assets consisting of Book Debts, Stores & Spares besides collaterally secured by Mortgage of Land & Building & personal guarantee of Directors of the company alogwith the corporate guarantee of Group companies	437,955,726	440,955,726
	<b><u>1,260,929,923</u></b>	<b><u>1,259,828,570</u></b>

**SANCIAL GLOBAL INFRAPROJECTS LIMITED**  
**NOTES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS STATEMENTS**

Particulars	31.03.2013 Rupees	31.03.2012 Rupees
<b><u>NOTE - 4 : UNSECURED BORROWINGS</u></b>		
Foreign Currency Convertible Bond	1,455,571,280	1,455,571,280
	<u>1,455,571,280</u>	<u>1,455,571,280</u>
<b><u>NOTE - 5 : SHORT-TERM BORROWINGS</u></b>		
Other Borrowings	164,350,346	881,526,315
Loan Received from Intercompany Group	1,078,822,535	1,093,673,419
	<u>1,243,172,881</u>	<u>1,975,199,734</u>
<b><u>NOTE - 6 : TRADE PAYABLES</u></b>		
Sundry Creditors	441,498,071	465,198,913
	<u>441,498,071</u>	<u>465,198,913</u>
<b><u>NOTE - 7 : OTHER CURRENT LIABILITIES</u></b>		
Other Outstanding Liabilities	11,151,399	8,833,281
Duties and Taxes	39,672,543	39,061,077
	<u>50,823,942</u>	<u>47,894,358</u>
<b><u>NOTE - 8 : SHORT TERM PROVISION</u></b>		
Provision for Income Tax	<u>92,047,528</u>	<u>92,047,528</u>
<b><u>NOTE - 10 : INTANGIBLE ASSETS</u></b>		
Goodwill		
Created on consolidation with Subsidiary Co.	-	54,177,438
Acquired on purchase of Undertaking of Associate Co.	71,856,101	71,856,101
	<u>71,856,101</u>	<u>126,033,539</u>
<b><u>NOTE - 11 : NON CURRENT INVESTMENTS</u></b>		
Long Term Investments		
Unquoted		
Fixed Deposit with Banks	7,445,835	7,445,835
	<u>7,445,835</u>	<u>7,445,835</u>
<b><u>NOTE - 12 : INVENTORIES</u></b>		
Raw material	48,919	48,919
Stock in process	-	-
Finished goods	618,790	618,790
Stores and Spares	536,850	791,000
(At Cost, as taken Valued & Certified by the Management)	<u>1,204,559</u>	<u>1,458,709</u>

**SANCIAL GLOBAL INFRAPROJECTS LIMITED**  
**NOTES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS STATEMENT**

Particulars	31.03.2013 Rupees	31.03.2012 Rupees
<b><u>NOTE - 13 : TRADE RECEIVABLES</u></b>		
Current Receivables		
Non Current Receivables	424,422,700	585,047,189
Less : Provision for Bad & Doubtful debts		146,261,797
	<u>424,422,700</u>	<u>438,785,392</u>
<b><u>NOTE - 14 : CASH &amp; CASH EQUIVALENTS</u></b>		
Cash in hand	342,912	123,059
Balance with Banks	12,002,615	23,628,547
Balance with Foreign Banks and Overseas	725,624	725,624
	<u>13,071,151</u>	<u>24,477,230</u>
<b><u>NOTE - 15 : SHORT-TERM LOANS &amp; ADVANCES</u></b>		
Deposits	4,914,778	4,774,566
Advance Against Capital Goods	1,348,843,234	1,348,843,234
Advance recoverable in cash or kind	1,241,824,686	1,081,126,627
Tax Deduction at Source & Payment of Income Tax	99,493,147	98,375,733
Less : Loans & advances Written off	(1,033,099,023)	-
	<u>1,661,976,822</u>	<u>2,533,120,160</u>
<b><u>NOTE - 16 : OTHER CURRENT ASSETS</u></b>		
(To the extent not written off or adjusted)		
Share Issue Expenses	12,906,511	39,559,291
Less: Amount Written off	12,906,511	26,652,780
	<u>-</u>	<u>12,906,511</u>

**SANCIAL GLOBAL INFRAPROJECTS LIMITED**  
**NOTES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS STATEMENTS**

Particulars	31.03.2013 Rupees	31.03.2012 Rupees
<b>NOTE - 17 : COST OF SALES</b>		
Sub-Contract & Hire Charges	3,108,150	-
Repair & Maintenance : Machineries / Equipments	10,993,896	8,180,311
Transportation Expenses	2,416,630	3,326,179
Rent, Rates & Taxes & Insurances	2,964,797	4,791,072
Labour Expenses & Wages	7,326,846	8,815,726
(Increase)/Decrease in stores & Spares	254,150	7,639,943
	<b>27,064,469</b>	<b>32,753,231</b>

**NOTE - 18 : SELLING AND MARKETING EXPENSES**

Advertisement & Sales promotion Exp.	284,008	262,281
Travelling & Conveyance Expenses	957,001	1,732,714
Telephone Expenses	171,136	443,477
	<b>1,412,145</b>	<b>2,438,472</b>

**SANCIAL GLOBAL INFRAPROJECTS LIMITED**  
**NOTES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS STATEMENTS**

Particulars	31.03.2013 Rupees	31.03.2012 Rupees
<b>NOTE - 19 : ADMINISTRATIVE EXPENSES</b>		
Salary & Staff welfare Expenses	3,744,703	10,908,712
Accounting Charges	157,742	136,255
Directors Sitting Fees	40,000	10,000
Legal & Professional Fees	1,823,585	1,888,244
Repair & Maintenance	315,476	263,237
Loss on sale of Machineries / Equipments	-	692,578,940
Postage & Courier Expenses	118,502	161,672
Printing & Stationery	242,356	509,669
General Expenses	304,964	533,638
Rent, Rates and taxes	875,816	567,023
Auditors Remuneration	135,051	106,773
Power, fuel & Electricity Exp.	266,911	459,722
Sundry Expenditure written off	12,906,511	26,652,780
Sundry Investment in Subsidiary Company written-off	-	819,322,720
Sundry Loans & Advances written-off	1,042,270,478	2,301,173,004
Provision for Bad & Doubtful Debts	-	146,261,797
Bad Debts Written-off	7,500,646	-
	<b>1,070,702,741</b>	<b>4,001,534,186</b>

**NOTE - 20 : INTEREST & FINANCE CHARGES**

On Term Loan	4,101,353	3,983,336
On Cash Credit	-	-
Interest on FCCB	-	8,393,219
Bank and Finance charges	170,664	922,721
	<b>4,272,017</b>	<b>13,299,276</b>

F.Y. 2012-13  
 Note 9 : TANGIBLE ASSETS

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	Gross Block			Depreciation					Net Block		
	As at 31.03.12	Additions during the year	Deductions and / or transfers	As at 31.03.13	As at 31.03.12	During the Year	Deductions and / or transfers	As at 31.03.12	Impairment Loss	As at 31.03.13	As at 31.03.12
Tangible Assets:											
Freehold Land	80,382,505	-	-	80,382,505	-	-	-	-		80,382,505	80,382,505
Building (Workshop)	12,548,398	-	-	12,548,398	786,341	419,116	-	1,205,457		11,342,941	11,762,057
Earth Moving Equipments	879,585,961	-	-	879,585,961	443,668,871	99,481,172	-	543,150,044	39,683,343	296,752,574	435,917,090
Machinery & Equipments	342,195,470	-	-	342,195,470	8,127,143	16,254,285	-	24,381,428		317,814,042	334,068,327
Computers	3,560,000	-	-	3,560,000	2,614,654	577,076	-	3,191,730		368,270	945,346
Office Equipment	8,636,409	-	-	8,636,409	2,297,257	410,229	-	2,707,486		5,928,923	6,339,152
Furniture & Fixtures	3,377,413	-	-	3,377,413	2,157,832	213,790	-	2,371,622		1,005,791	1,219,581
Motor Vehicles	1,439,268	-	-	1,439,268	731,309	136,730	-	866,040		571,228	707,959
<b>TOTAL</b>	<b>1,331,725,424</b>	<b>-</b>	<b>-</b>	<b>1,331,725,424</b>	<b>460,383,407</b>	<b>117,492,400</b>	<b>-</b>	<b>577,875,806</b>	<b>39,683,343</b>	<b>714,166,275</b>	<b>871,342,017</b>
<b>PREVIOUS YEAR</b>	<b>1,963,981,661</b>	<b>353,419,065</b>	<b>985,675,302</b>	<b>1,331,725,424</b>	<b>608,151,488</b>	<b>109,170,000</b>	<b>256,938,081</b>	<b>460,383,407</b>	<b>-</b>	<b>871,342,017</b>	<b>1,355,830,173</b>



## SIGNIFICANT ACCOUNTING POLICIES

### NOTE - 21

#### 1. Basis of Consolidation

- a) The consolidated financial statements relate to the Sancia Global Infraprojects Limited and its subsidiary Petrogrema Overseas Pte. Ltd. Which is a wholly owned subsidiary.
- 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. No minority interest arises during the course of consolidation as the parent company holds 100% shares of its subsidiary.
- c) Figures pertaining to the subsidiary have been reclassified to bring them in line with parent company's financial statements.

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

- a) The financial statements are prepared in accordance with Generally Accepted Accounting Principles (Indian GAAP) under the historical cost convention on accrual basis and on principles of going concern. The accounting policies are consistently applied by the Company except where otherwise stated.
- b) The financial statements are prepared to comply in all material respects with the accounting standards notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.
- c) The preparation of the financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known / materialized.
- d) *During the financial year 2012-13; figures related to the financial year 2009-10 has been presented on the basis of regenerated and/or reconstructed records prepared on the basis of bank statements, residuary information's and on the basis of management representations due to the loss of financials and other records while shifting of office documents and furniture from corporate office (Mumbai) to registered office (Kolkata).*

#### 3. Fixed Assets:

- a) Fixed Assets are stated at cost, less accumulated depreciation, less impairment, if any. Cost comprises the purchase price and any attributed cost of bringing the assets to its working condition for its intended use.
- b) Depreciation on the fixed assets has been provided on straight line method at the rates prescribed and in the manner specified in schedule XIV to the Companies Act, 1956.

#### **4. Impairment of Assets**

At each balance sheet date if there is any indication of impairment of assets 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.

#### **5. Investments:**

Investments are classified as current and Non-current investments. Current investments are stated at lower of cost or market value. Non-current investments are stated at cost. A provision for diminution is made to recognize a decline, other than temporary in the value of long term investments.

#### **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 as a result of translation has been accumulated as “Foreign currency translation Reserve”.
- d) Forward Exchange Contracts – The Company enters into Forward Exchange Contracts which are not intended for trading or speculation purposes. The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of foreign exchange contract is recognized as income or expense for the year.

#### **7. Inventories**

- a) Raw materials are valued at cost or net realizable value whichever is lower.
- b) Stores and spares are valued at cost or net realizable value whichever is lower.
- c) Finished goods are valued at cost value.

#### **8. Revenue Recognition:**

- a) Revenue from Rental / Hiring of Equipments / Machineries is recognized, when the said assets are deployed and such revenue are contractually earned.
- b) Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have been passed to the buyers. Sales revenue is net of sales return, discounts and rebates.
- c) Rebates / Discounts on Sales are accounted for in the year of settlement.
- d) The Company generally follows the mercantile system of accounting and recognizes income and expenditure on accrual basis except those with significant uncertainties when such revenue is recognized on their realization.

- e) Receipts for Performance which are yet to be given or cost yet to be incurred in subsequent periods are classified as unearned revenue.
- f) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

**9. Employees' Retirement Benefits:**

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

**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 up to the date when such asset is ready for its intended use. All other borrowing cost is charged to the profit and Loss Account.

**11. Earnings per Share:**

- a) 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.
- b) For the purpose of calculating diluted earnings per share, the profit after tax for the period and the Weighted average number of Equity Shares are adjusted for the effects of all dilutive Equity Shares.

**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.

**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.

**14. Miscellaneous Expenditure:**

Miscellaneous expenditure represents ancillary cost incurred in connection with the arrangement of borrowings (FCCB) and share issue expenses. It is decided to write off share issue expenses over the lower of a period of five years and the bond issue expenses are being amortized over the period of arrangement on a pro-rata basis.

## NOTE - 22

### NOTES TO ACCOUNTS

1. The company has issued Foreign Currency Convertible Bonds (FCCBs) of the nominal value of USD 50 million, having a maturity period of 5 years. As per the terms of the offering circular issued by the company for FCCBs the bonds carry interest on 1% payable half yearly on 12th February & 12th August respectively each year, and the Bonds are convertible into fully paid equity shares of the Company at any time on or after February 27, 2008 and up to January 29, 2013, unless previously redeemed, converted or re-purchased and cancelled.

In accordance with the offering Circular dated February 01, 2008 issued by the Company, under condition 6 (C ) (XXIX) of the said offering Circular with effect from February 12, 2009 the Conversion Price of the Bond is re-set at Rs. 282.27 from Rs. 376.36. Further, during the year 2012-13, due to the stringent financial position, the Company has not been able to discharge its interest payment obligations of Rs. 197.28 Lacs on the said Bonds, which was due for payment on 12<sup>th</sup> August 2012 & 12<sup>th</sup> February 2013.

As per the Offering Circular, in the event of non-conversion of said Bonds into equity shares of the Company, the same shall be redeemed at 137.24 % of principal amount. The management has not made any provision in the books of account towards any liability that may fall on the Company, in the eventuality of redemption of the Bonds.

2. There was a search and seizure action u/s 132 of the Income Tax Act 1961 had been conducted by the Income Tax Department as on 23<sup>rd</sup> June, 2009 and presently the matter is pending with the Income Tax Appellate Tribunal, Kolkata pursuant to Appeal filed by DCIT, Kolkata under section 253 of the Income Tax Act, 1961. However the company has not made any provision towards liability of income tax for the period covered under the aforesaid search and seizure since the management did not foresee any major income tax liability.
3. Foreseeing the huge developments taking place in MENA market (Middle East, North Africa) the Company undertook huge expansion plans and had taken up multiple projects at the same time, and signed an agreement with CNPC's subsidiary in China named BOMCO for 40 rigs for a value of more than one billion US dollar, which business was to be taken up by the wholly owned subsidiary company i.e. Petrogrema overseas PTE. Ltd and substantial investment was made in the subsidiary to facilitate the overseas body to setup the business of Oil rigs and Mines. However, due to worldwide recession in the economy and tightening of financial resources in the world market, company could not size up funds that were required for 40 rigs which were committed to CNPC, as a result of which payments made to CNPC as well as various other suppliers got stuck and the monies advanced to them could not be recovered because of financial closure and also the project could not completed on time. The Company had signed mandates with 2 First Class Banks and 1 top M&A firm from U.K who were not able to raise the debt as required due to financial recession worldwide.

All the above has resulted in huge losses to its wholly owned subsidiary company i.e. Petrogrema Overseas Pte. Ltd. resulting in complete erosion of its Net worth. In view of the above, as a conservative approach and in line with the accounting policy on diminution of investment being followed by the Company, the management decided to write off the value of investments in its subsidiary as well as Loans by Rs. 8193.22 Lacs and Rs. 3120.92 Lacs respectively during the financial year 2011-12.

During the financial year 2012-13 the wholly owned subsidiary company i.e. Petrogrema Overseas Pte. Ltd has incurred heavy losses due to written-off of various loans & advances (Rs.103.31 Crores) which could not be recovered as per the view of the management and become bad due to various reasons mentioned hereinabove.

4. Extraordinary Items: In Consolidated cash flow statement, during the reporting period, extraordinary items reflects Rs. 182.97 Crores in respect of increase in capital reserve arising out of consolidation of subsidiary company's books of accounts.
5. Loss for the year is inclusive of loss of Rs.396.83 Lacs being loss on impairment of old machineries/equipments due to efflux of time, wear and tear and more so due to technological obsolescence, some of the machines have been rendered of no use and have very little or scrap value. Further, the cost of operations and maintenance of such old machines was very high as such could not withstand the competition from the similar modern machines/equipments in the market. The Company could not replace the said machines/equipments due to its financial crisis. Hence to avoid high maintenance cost of such equipment's, the same were scraped during the year, and impairment loss has been duly recorded as per the decision of the management.
6. During the year, the Company has written-off Rs.75.01 Lacs towards bad & doubtful debts, being disputed balances with Sundry Debtors which are outstanding for more than 1 year, which are under various stages of negotiations and settlement however the management of the Company is not confident of recovery of these Debts. Based on analysis of each account by the management is has been decided to written off such debts.
7. The accumulated loss of the Company as on 31.03.2013 is more than 100% of its net worth during the year and immediately preceding the financial year and as such falls within the definition of "sick industrial Company" under section 46(AA) (i) of the Companies (Second Amendment) Act, 2002 . The Net Worth of the company had also been eroded during the financial year 2011-12 itself resulting, the Company had become a sick industrial company within the meaning of section 3(1) (o) of the Sick Industrial Companies (Special Provisions) Act, 1985.

The company has made a reference during the financial year 2012-13 to the "Board for Industrial & Financial Reconstruction" under section 15(1) of Sick Industrial Companies (Special Provisions) Act 1985 however the same reference has been declined by BIFR.

8. There is an inquiry has been initiated by "office of Registrar of companies (West Bengal)" for contravention of provisions of the companies Act, 1956 however the company has filed the application for compounding of offences under the said Act.
9. **Contingent Liabilities :-**

**9(i) Liability towards Corporate and Bank guarantees:-**

(Rs. in Lacs)

Particulars	31.03.2013	31.03.2012
a) Contingent Liability not Provided for		
b) Bank Guarantee	29.00	29.00
c) Corporate Guarantee (As per the sanctioned Limit) given to and on behalf of the following Group Companies :- 1) Greenerth Resources & Projects Ltd. 2) New saw Infraprojects Ltd. 3) Sancia Infraglobal Private Limited	57965.00	57965.00

**9(ii) Service Tax Liability:** - The inquiry/case against the service tax liability was initiated by the "Directorate General of Central Excise Intelligence, Ahmedabad Zonal Unit however the service tax liability is not materialize.

10. The company does not possess information as to which of its suppliers are ancillary industrial undertaking/small scale industrial undertaking holding permanent registration certificates issued by the Directorate of Industries of a state or union territory, consequently :-

- The total outstanding dues of small scale industrial undertaking cannot be ascertained.
- The names of the small scale industrial undertaking to whom the company owed sums for more than 45 days cannot be ascertained.

**11. Details of Managerial remuneration under section 198 of the companies Act, 1956**

Salaries and Allowance	Rs.4.80 Lakhs (P.Y. Rs. 4.80 Lacs)
Sitting Fees to Non-executive Directors	Rs.0.40 Lakhs (P.Y. Rs. 0.50 Lacs)

**12. The Company has the following wholly owned Subsidiary, the details are as under:**

Name of the subsidiary	Petrogrema Overseas PTE Limited
Country of incorporation or residence	Singapore
Proportion of ownership interest	100%

The Subsidiary of the Company has incurred heavy losses, which has also affect the assumption of going concern of Subsidiary company.

**13. Auditors' Remuneration includes**

(Rs. in Lacs)

Particulars	2012-13	2011-12
Audit fees	1.24	0.97
Tax Audit fees	0.11	0.10
<b>Total</b>	<b>1.35</b>	<b>1.07</b>

**14. Segment Reporting:**

During the financial year 2012-13 the company was primarily engaged in single business segment viz Rental/ Hiring of construction Equipments /machineries and further the Company does not have any material earnings emanating outside India, the Company is Considered to operate only in the domestic segment .

**15. Related Party Disclosures :-**

**Key Managerial Personnel of the company:**

Sr. No.	Name of Managerial Personnel	Nature of Relationship
1.	Mr. Arun Kumar Ray	Director
2.	Mr. Johnny Fernandes	Managing Director
3.	Mr. Kishor Kumar Damani	Director
4.	Mr. Pradeep Sutodia	Director

## Enterprises under the control of Key Managerial Personnel of the company:-

- a. Sancia Infraglobal Private Limited
- b. Greenerth Resources & Projects Limited

## Subsidiary Company

- a. Petrogrema Overseas Pte. Ltd. (Wholly owned subsidiary : Singapore)

## 16. Earnings per Share (EPS):

The basic earnings per share ("EPS") is computed by dividing the Net Profit after tax for the year by the weighted average number of equity shares. For the purpose of calculating diluted earnings per share, Adjusted Net profit after tax for the year and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. However we have not reported diluted "EPS" since the potential equity shares are Anti-dilutive in nature.

### Computation of Earnings Per Share (AS-20): Basic & Diluted)

Particulars	31.03.2013	31.03.2012
Amounts used as numerator in calculating Basic EPS(Rs.)	(1,228,997,234)	(3,923,096,779)
No. of Equity shares used as denominator	4,33,98,804	4,33,98,804
Nominal value per Equity shares (Rs.)	10/-	10/-
Earnings/(Loss) per share (Basic and diluted) (Rs.)	(28.32)	(90.40)

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

(Rs. in Lacs)

Particulars	As at 31.03.2012	Charge/Credit for the Period	As at 31.03.2013
(a) Deferred Tax Liability (Due to Depreciation)	-	(100.61)	(100.61)
(b) Deferred Tax Assets Others	-	-	-
Net Deferred tax liability (a-b)	-	(100.61)	(100.61)

As per AS-22 "Accounting for Taxes on Income", deferred tax assets should be recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

During the financial year 2011-12, the Net worth was fully eroded and the management was not expecting any taxable income in the near future and accordingly Deferred Tax Assets (DTA) is recognized to the extent of Deferred Tax Liability (DTL).

As the Income tax matter is pending with the Income Tax Appellate Tribunal, Kolkata pursuant to Appeal filed by DCIT, Kolkata under section 253 of the Income Tax Act, 1961. Accordingly the timing difference of depreciation has been considered during the financial year 2012-13 and deferred tax liability of Rs. 100.61 Lacs is recognized and carried forward.

**18. Expenditure in Foreign Currency:**

(Rs. in Lacs)

Particulars	31.03.2013	31.03.2012
Interest on FCCB	-	83.93
Total	-	83.93

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

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

(Chartered Accountants)

FRN:

**For and on behalf of the Board**

**M.M. Mukherjee**  
(Proprietor)  
Membership No.: 015254

sd/-  
**Johnny Fernandes**  
(Managing Director)

sd/-  
**Mukesh Chandra Sharma**  
(Director)

Place: **Kolkata**

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



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

1. Name of the Subsidiary Company	Petrogrema Overseas Pvt. Ltd.
2. The financial year of the subsidiary company ended on :	31.12.2012
3. Date from which it became subsidiary	30.01.2008
4. a) No. of shares held by Sancia Global Infra 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	60,413,688 Equity shares of SGD 1 Each fully paid.  100%
5. Net aggregate amount, so far as it concerns the members of Sancia Global infraprojects and is not dealt with in the company's accounts, of the subsidiary's profit :- a) Profit/ (Loss) for the subsidiary's previous financial year.  b) Profit/ (Loss) for the previous financial years of the subsidiary since it became the subsidiary of M/s Sancia Global Infraprojects Ltd.	(USD 379.39 Lacs)   (USD 389.87 Lacs)
6. Net Aggregate amount of the profits of the subsidiary so far as those profits are dealt with Sancia Global Infraprojects Limited:-  a) For the subsidiary's financial year  b) For the previous financial years, since it became the subsidiary of Sancia Global Infraprojects Limited	Nil  Nil

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

(Chartered Accountants)

FRN:326127E

**M.M. Mukherjee**

(Proprietor)

Membership No.: 015254

Place : Kolkata

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

**For and on behalf of the Board**

sd/-

**Johnny Fernandes**  
(Whole Time Director)

sd/-

**Mukesh Chandra Sharma**  
(Whole Time Director)

**Note: The accounts of foreign subsidiary on basis of which consolidation has been made are unaudited and have not been annexed to this Report. The annual accounts of the subsidiary company and the related details will be made available to the investors of the company and subsidiary company seeking such information at any point of time. The annual accounts of the subsidiary company are available for inspection by any investor at the registered office of the company and at the office of the concerned subsidiary company.**

**SANCIA GLOBAL INFRAPROJECTS LIMITED**

**Regd. Office: 32, Ezra Street, Todi Mension, Unit No: 1060, 10<sup>th</sup> Floor, Kolkata: 700 001.  
22<sup>nd</sup> Annual General Meeting**

**PROXY FORM**

DP ID.....

Folio No.....

Client ID.....

No. of Shares.....

(Applicable for investor holding shares in electronic form )

I / We ..... of

..... in the district of ..... being a Member / Members

hereby appoint ..... of ..... in the district of

..... of failing him..... of ..... in the district of

..... as my/our proxy to attend and vote for me/us on my/our behalf at the Annual

General Meeting of the company to be held on Monday, The 30<sup>th</sup> September, 2013 at 04:00 P.M. at

O2 Hotel & Restaurant, Near Airport, Kaikhali, VIP Road, Kolkata 700052.

Affix Rupee One Revenue
----------------------------------

Signed this..... day of ....., 2013

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

.....

**SANCIA GLOBAL INFRAPROJECTS LIMITED**

**Regd. Office: 32, Ezra Street, Todi Mension, Unit No: 1060, 10<sup>th</sup> Floor, Kolkata:700 001  
22<sup>nd</sup> Annual General Meeting**

**ATTENDANCE SLIP**

•DP ID.....

Folio No.....

Client ID.....

No. of Shares.....

(Applicable for investors holding shares in electronic form)

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

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

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

I hereby record my presence at the 19th Annual General Meeting of the Company on Monday, The 30th

September, 2013 at 04:00 P.M. at O2 Hotel & Restaurant, Near Airport, Kaikhali, Vip Road, Kolkata- 700052.

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:**  
**SANCIA GLOBAL INFRAPROJECTS LTD.**  
**Registered Office**  
32, Ezra Street, Todi Mension,  
Unit No: 1060, 10<sup>th</sup> Floor,  
Kolkata:700 001