



SANCIA GLOBAL INFRAPROJECTS LTD.

(Formerly known as "Gremach Infrastructure Equipment and Projects Limited")

**ANNUAL REPORT
2011-2012**



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**21st Annual General Meeting will be held on Monday,
June 18, 2012 at 3.00 p.m. at O2 Hotel & Restaurant,
Near Airport, Kaikhali, VIP Road,
Kolkata - 700 052**

21th Annual Report 2011-12
SANCIA GLOBAL INFRAPROJECTS LTD.

Board of Directors

Mr. Arun Kumar Ray
Mr. Ravi Kumar Mandal
Mr. Johnny Fernandes
Mr. Pradeep Sutodiya
Mr. Kishore Kumar Damani

Managing Director
Director
Whole-Time Director
Director
Director

Bankers

State Bank of India
Bank of India
Jammu & Kashmir Bank
Punjab National Bank
Indian Overseas Bank

Registered Office

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

Auditors

M/s. Rahul Bansal & Associates
Chartered Accountants

Corporate Office

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

Registrar & Share Transfer Agents

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

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 21st ANNUAL GENERAL MEETING OF SANCIA GLOBAL INFRAPROJECTS LIMITED WILL BE HELD ON MONDAY, JUNE 18, 2012 AT 03.00 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, 2012 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.

SPECIAL BUSINESS:

3. Appointment of Mr. Arun Kumar Ray as Managing Director

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

"RESOLVED THAT pursuant to the provisions of the Section 198, 269,309 and other applicable provisions, if any, of the Companies Act, 1956 (including any Statutory Modification(s) or re-enactments thereof, for the time being in force) read with Schedule XIII of the Act thereto, consent of the Company be and is hereby accorded to the appointment of Mr. Arun Kumar Ray as the Managing Director of the Company for a period of 3 years with effect from February 14, 2012 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 IT of Part IT 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.

4. Appointment of M/S A. Goswami & Co., Chartered Accountants as a New Statutory Auditor of the Company:

To appointed M/S A. Goswami & Co., Chartered Accountants, as a new Statutory Auditor of the Company to hold office from conclusion of this Annual General Meeting until conclusion of the next Annual General Meeting of the company and fix their Remuneration.

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

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

way of resolution subject to confirmation at the AGM".

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

By Order of the Board of Directors
For **Sancia Global Infraprojects Limited**

Place: Mumbai
Date: May 23, 2012

Johnny Fernandes
(Wholetime 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 14.06.2012 to 18.06.2012 (both days inclusive).
5. Members (those holding shares in the physical form only) are requested to inform the changes if any, in their registered address to the company's Share Transfer Agent.
6. For the convenience of the Members, an Attendance Slip is annexed to the Proxy Form. Members are requested to affix their signature at the space provided and fill up the particulars and hand over the attendance slip at the place of the Meeting.
7. Members desiring any information on the Accounts are requested to write to the Company at least one week before the meeting so as to enable the Management to keep the information ready & replies will be provided at the meeting.

By Order of the Board of Directors
For Sancia Global Infraprojects Limited

Place: Mumbai
Date: May 23, 2012

Johnny Fernandes
(Wholetime Director)

EXPLANATORY STATEMENT

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

Item No. 3

The Board of Directors at its meeting held on February 14, 2012 had appointed Mr. Arun Kumar Ray as the Managing Director of the company for a period of 3 years with effect from February 14, 2012 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 February 14, 2012
- B. Nature of Duties: The Managing Director Shall devote his whole time attention to the business of the company and carryout such duties as may be entrusted to him by the Board, and exercise such powers as may be assigned to him subject to the superintendence, control & directions of the board in connection with and in the best interest of the business of the company.
- 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. Arun Kumar Ray 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. Arun Kumar Ray 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. Arun Kumar Ray 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.

Item No. 4:

The Board has proposed the appointment of M/S A. Goswami & Co., Chartered Accountants, as a New Statutory Auditor of the Company in place of existing Auditor M/s Rahul Bansal & Associates who expressed their inability to continue because of their pre-occupation, subject to the approval of the shareholders in the Annual General Meeting of the company;

To appointed M/S A. Goswami & Co, as a new Statutory Auditor of the Company to hold office from conclusion of this Annual General Meeting until conclusion of the next Annual General Meeting of the company and fix their Remuneration.

None of the Director of the Company are in anyway concern or interested in the resolution.

Your Directors recommend this resolution for your approval.

The Identity of the proposed allottees for preferential issue of Equity Shares / Warrants is as follows:

By Order of the Board of Directors
For **Sancla Global Infraprojects Limited**

Place: Mumbai
Date: May 23, 2012

Johnny Fernandes
(Wholetime Director)

MANAGING DIRECTOR'S MESSAGE

Dear Shareholders,

On behalf of the Board of Directors, I have pleasure in welcoming you all today to the 21st 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. India however remains a front runner in economic growth curve. In the wake of the 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 reduced aggressively.

During the year under review, Turnover and Net Loss for the year was Rs. 678.95 Lacs and Rs. 24,871.03 Lacs as compared to the previous year Rs. 6,597.72 Lacs and Rs.6,127.89 Lacs.

At the end of the financial year the accumulated losses has exceeded the entire network of the Company. Hence the Company has become the Sick Company as defined under section 3 (1) (O) of the Sick Industrial Companies Act, 1985. Therefore the management of your company may file an application with Board for Industrial & Financial Reconstruction.

Management Review:

As you all know there was a change in management in your Company. We would like to inform you that the new management has successfully taken over the control over the day to day affairs of your Company. I also like to mention that are playing a vital role in the growth and expansion of your Company. The new 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, new (Promoter) Directors are in a process of starting up with the new infrastructure projects in various parts of the Country and also on the verge of receiving huge orders of road construction projects on a sub-contract basis. We have bagged orders for deploying construction equipments on a rental basis and have already deployed to various big companies like L&T, IVRCL, Gammon India, JMC Projects, Simplex Infrastructure Ltd, Costal Projects Ltd, etc. for the projects like L&T Bangalore Metro Project, L&T Mumbai Monorail Project, Nashik Road Flyover, Paradeep Orissa Power Plant Projects & Siemens Power Plant.

Recently they have successfully taken over the SAW PIPE DIVISION of Sancia Infraglobal Private Limited with its full assets and liabilities on a going concern basis.

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 and financial engineering, we will seek to achieve the highest performance standards in the industry and an unchallenged leadership position across all segments in which we operate.

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/-

Arun Kumar Ray
Managing Director

DIRECTORS' REPORT

To

The members

Your Directors are pleased to present herewith 21th Annual Report of the Company together with the audited statement of accounts for the Financial Year ended 31st March, 2012.

1. Financial Results

(In Rs.)

| Particulars | Year Ended 31.03.2012 | Year Ended 31.03.2011 |
|---|--------------------------|--------------------------|
| REVENUE | | |
| Income from Operations | 67,895,428 | 307,155,433 |
| Sale of Goods | - | 352,616,624 |
| Other Income | 4,083,941 | 2,550,115 |
| Increase/ Decrease in Inventory/ Stores & Spares | (7,639,943) | (714,920) |
| Total Income | 64,339,426 | 661,607,253 |
| EXPENDITURE | | |
| (a) Purchase of Goods | 13,790 | 366,265,000 |
| (b) Operating Expenses | 25,099,498 | 260,662,347 |
| (c) Employment Cost | 6,801,321 | 22,142,100 |
| (d) Administrative, Selling & Other Expenses | 2,561,241,049 | 336,660,475 |
| Total Expenditure | 2,593,155,658 | 985,729,923 |
| Profit before Interest and Depreciation and Tax | (2,528,816,232) | (324,122,670) |
| Interest & Finance Charges | 13,235,424 | 125,739,463 |
| Depreciation & amortization of Assets | 109,170,000 | 178,750,215 |
| Profit before Tax | (2,651,221,656) | (628,612,348) |
| Current Tax - | - | - |
| Deferred Tax | 164,119,016 | 15,839,604 |
| Fringe Benefit Tax | - | - |
| Net Profit After Tax | (2,487,102,640) | (612,772,744) |
| Add: Balance brought forward from previous year | 161,368,155 | 774,157,081 |
| Profit Available for Appropriation | (2,325,734,484) | 161,368,155 |
| Dividend-Short Provision (F.Y. : 2008-09) | - | - |
| Tax on Dividend-Short Provision (F.Y. : 2008-09) | - | - |
| Balance carried to Balance Sheet | (2,325,734,484) | 161,384,336 |
| Earning Per Share (Rs.) Basic | (57.31) | (14.12) |
| Earning per share (Rs.) Diluted | (57.31) | (14.12) |
| Paid Up Equity Share Capital (Rs.10/- per share) | 433,988,040 | 433,988,040 |

b) Financial Restructuring:

As per the current financial Period results the Management of the Company has decided to file an application in BIFR for management Restructuring.

Erosion of Networth – Reference to Board for Industrial and financial Reconstruction (BIFR) – On Account of Losses incurred during the Period under review and also with carried forward losses of past years, the entire net worth of the Company has got eroded at the end of the period on March 31, 2012. Therefore, Company is required under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) to make a reference to the Board for Industrial & Financial Re-construction (BIFR) for determination whether the Company is a Sick Industrial Company or not which and Company will shortly file the same.

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

3. DIVIDEND

For the financial year 2011-12 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 company is expected to have robust growth in income and profitability.

Considering the immense potential in the field, your company has entered into trading in steel and coal. Going forward we anticipate consistent revenues from this sphere as well.

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 2010-2011 and the profit / Loss of the Company for that year.
- (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 Report of Directors and Statement of Accounts of subsidiary Petrogrema Overseas PTE Ltd. together with the Auditors' Report thereon, are attached. The requisite statement pursuant to Section 212 of the Companies Act, 1956, related to these subsidiary companies is also attached herewith.