



CLARUS INFRASTRUCTURE REALTIES LIMITED
(Formerly Known as Clarus Finance and Securities Limited)

20TH ANNUAL REPORT
2012 - 2013

CLARUS INFRASTRUCTURE REALTIES LIMITED

BOARD OF DIRECTORS

Manakchand Jain : Director
Harsh Jain : Director
Akhilesh Jain : Independent Director

AUDITOR

Tushar Parekh & Associates
11, Sopariwala House,
293, Padamshi Mansion,
Marine Lines,
Mumbai-400 002.

BANKERS

Allahabad Bank
HDFC Bank

REGISTRAR & TRANSFER AGENT

Adroit Corporate Services Pvt Limited
19, Jafferbhoy Industrial Estate,
Makwana Lane, Marol Naka,
Andheri (E),
Mumbai-400 059.

REGISTERED OFFICE:-

7/ A, 2nd Floor,
Beaumont Chambers,
N. M. Road, Fort,
Mumbai – 400 001.
Email – id : clarus123@gmail.com

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NOTICE

NOTICE is hereby given that the 20th Annual General Meeting of the members of **M/s. CLARUS INFRASTRUCTURE REALTIES LIMITED** will be held on Wednesday, the 25th September, 2013 at 10.30 A.M. at Pranjali School Auditorium, Ground Floor, 155/157, August Kranti Marg, Next to Stephens Church, Kemps Corner, Mumbai- 400 036 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013, the Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a director in place of Shri Akhilesh Jain, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint M/s. Motilal & Associates, Chartered Accountants, Mumbai (FRN No. **106584W**) as Auditors of the Company in place of retiring auditor M/s Tushar Parekh Chartered Accountant, Mumbai to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board of Directors

Place: Mumbai
Date: August 13, 2013

Manakchand Jain
(Director)

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. Members are requested to notify any correction / change in their name / address including Pin Code number to the Registrar & Share Transfer Agents (RTA) M/s Adroit Corporate Services Private Limited, 19, Jafferbhoy Industrial Estate, 1st Floor, Makwane Road, Marol Naka, Andheri (E), Mumbai – 400 059.
3. Members are requested to kindly mention their Folio Number / Client ID Number (in case of demat shares) in all their correspondence with the Companies Register in order to reply to their queries promptly.
4. Members are requested to bring the Notice of the meeting along with the Attendance Slip with them duly filled in and hand over the same at the entrance of the Meeting Hall.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, September 23, 2013 to Wednesday, September 25, 2013 (both day inclusive).
6. Members desirous of obtaining any information concerning Accounts and operations of the Company are requested to address their questions in writing to the Company at least 7 days before the date of the Meeting so that the information required may be made available at the Meeting.
7. The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with our Registrar & Share Transfer Agent M/s Adroit Corporate Services Private Limited, Jafferbhoy Industrial Estate, Makwana Lane, Andheri(E), Mumbai— 400059.

8. Information required to be furnished under clause 49 of the Listing Agreement for directors seeking appointment / reappointment in forthcoming Annual General Meeting

Name of the Director	Shri Akhilesh Vijaychand Jain
Date of Birth	02/06/1976
Date of Appointment	15/09/2009
Expertise	Accounts and Finance
Qualification	B.com, C.A. (Inter)
Other Directorship	Shri Ambe Punjinvesh Private Limited Vee Vee En Sons (Exports) Pvt Ltd Tarana Plastics And Chemicals Private Limited Alexin Healthcare Private Limited Manorath Trading Private Limited Adhiraj Trading Private Limited Image Visual Ad Private Limited Monotype India Ltd. Rexort Finsec Private Limited
Chairman / Members of the Committee in other Companies	1
No. of Shares held in the Company	N.A.

DIRECTOR'S REPORT

To,
The Members
Clarus Infrastructure and Realities Limited

Your Directors have pleasure in presenting the 20th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2013.

FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

Particulars	2012-2013	2011-2012
Total Income	1606.21	7372.70
Less : Total Expenditure	1872.68	7757.00
Profit / (Loss) before Tax	(266.47)	(384.30)
Tax Expenses	0.04	0.66
Profit / (Loss) for the year	(266.43)	(383.64)

DIVIDEND

Due to losses, the Directors do not recommended any dividend for the financial year under review.

DEPOSITS

The Company has not accepted any Fixed Deposits within the meaning of Section 58A of the Companies Act, 1956 and the rules made there under during the year under review.

MERGER UPDATES

High Court of Bombay vide its order dated May 11, 2011 has approved the scheme of merger of M/s. Scan Steels Limited with M/s. Clarus Infrastructure Realities Limited, however approval from High Court of Orissa is still to be obtained.

DIRECTORS

Mr. Akhilesh Jain, who retires by rotation and being eligible, offers himself for re – appointment.

DIRECTORS RESPONSIBILITY STATEMENT

In terms of Section 217 (2AA) of the Companies Act, 1956, your director's state:

- That in the preparation of the annual accounts for the year ended 31st March 2013; the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- That directors 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 as at 31st March 2013 and of the loss of the Company for the year ended on that date.
- That the directors had 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.
- That the annual accounts have been prepared on a going concern basis.

AUDITORS

M/s. Tushar Parekh and Co., Chartered Accountants, Mumbai the Statutory Auditor's of the company will retire at the conclusion of ensuing Annual General Meeting and unwilling for re-appointment. M/s. Motilal & Associates Chartered Accountant, Mumbai has given their consent to act as an auditor, if appointed in the forth coming Annual General Meeting.

CORPORATE GOVERNANCE REPORT

A report on Corporate Governance has been provided in the Annual Report. Certificate from Practising Company Secretary form an annexure to this report.

LISTING ON STOCK EXCHANGE

The Company continues to remain listed with Bombay Stock Exchange Limited and annual listing fee for the same has been paid.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Details with regards to conservation of energy, technology absorption, foreign exchange earnings and outgo, in accordance with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are not applicable to the Company.

INDUSTRIAL RELATIONS

During the year under review, your Company had cordial and harmonious industrial relations at all levels of the Organization.

PARTICULARS OF EMPLOYEES

During the year under review there were no employees receiving remuneration of or in excess of limits prescribed as per the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

ACKNOWLEDGEMENTS

The Directors are grateful to all the stakeholders including the customers, bankers, suppliers and employees of the Company for their co-operation and assistance during the year.

For and on behalf of the Board

Place : Mumbai
Date : August 13, 2013

Manakchand Jain
(Director)

Harsh Jain
(Director)

MANAGEMENT DISCUSSION AND ANALYSIS

The Management of Clarus Infrastructure Realities Limited presents its report covering performance and outlook of the Company. The report has been prepared in compliance with the Corporate Governance requirement prescribed in the Listing Agreement. The Management discussions and analysis is given hereunder:-

INDUSTRY STRUCTURE AND DEVELOPMENT:

Foundation for Critical Choices for India (FCCI) along with the partners Ernst and Young has declared India as the fifth (5) most attractive real estate investment destination for investors. At present, the real estate and construction sectors are playing a crucial role in the overall development of India's core infrastructure. It is the second largest employer after agriculture.

OPPORTUNITIES AND THREATS:

The Indian economy is getting bigger and better. Going with the estimates that Asia's third largest economy will become the world's third largest by 2050; a need for more robust and vast infrastructure is inevitable. Indian real estate sector faces several threats, risks and concerns. The rising interest rates and scanty land availability in India, and the subsequent global turmoil are creating pressure on the Indian real estate sector.

SEGMENT-WISE PERFORMANCE:

The Company has two principal streams of activities mainly in the business viz Infrastructure and Trading. Segment wise performance is given at Note no.19 – Segment Information.

BUSINESS OUTLOOK:

The Company is currently engaged in infrastructure and trading activity and is looking for new avenues of business in various areas like steel and steel related products and also considers geographical diversification by expanding to newer markets.

INTERNAL CONTROL SYSTEM:

The Company has adequate internal control systems commensurate with the scale of operations of the company.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATING PERFORMANCE:

The Company's financial performance is discussed in details under the head “Financial Highlights” in Directors Report to the Members.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES:

The Company recognizes the importance and contribution made by its employees to the growth and development of the Company, the Company has cordial relations with employees and staff.

CORPORATE GOVERNANCE REPORT**COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Corporate Governance refers to the set of systems, principles and processes by which a company is governed. The Company believes that good Corporate Governance practices should be enshrined in all activities of the Company. The Company strongly believes that Good Corporate Governance is a pre-requisite for enhancing shareholder value and its image in the prevailing competitive business scenario. Your Company affirms its commitment to follow good corporate governance practices proactively. The Company has consistently sought to improve its focus by increasing transparency and accountability to all its stakeholders.

COMPOSITION OF BOARD OF DIRECTORS

The Board of Directors as on 31st March, 2013 consist of 3 Directors out of whom, 1 (One) is Independent Directors. The composition of Board is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchange.

Name	Category	No. of Directorship held in Public Limited and Private Company		No. of Board Committee position held in other Public Limited Companies	
		Private	Public	Private	Public
Shri Manakchand Jain	Non-Executive	3	-	-	-
Shri Harsh Jain	Non-Executive	1	-	-	-
Shri Akhilesh Jain	Independent	8	1	-	1

BOARD MEETINGS

The 6 (Six) Board meetings were held during the year 2012-2013 on the following dates : 15.05.2012, 31.07.2012, 13.08.2012, 03.11.2012, 26.11.2012, 15.02.2013.

Attendance of Directors at Board Meetings and at the Annual General Meetings

Name of the Director	No. of Board Meetings Attended	Whether Last AGM Attended
Shri Manakchand Jain	6	YES
Shri Harsh Jain	6	YES
Shri Akhilesh Jain	5	YES

The Board ensures compliance of all laws applicable to the company and takes steps to rectify non-compliance, if any

AUDIT COMMITTEE

The Audit Committee of the company is constituted in line with provision of Clause 49 of the Listing Agreement with the Stock Exchange read with Section 292A of the Companies Act, 1956.

The Company's Audit Committee comprises of the following Directors :-

Shri Akhilesh Jain	-	Chairman
Shri Harsh Jain	-	Member
Shri Manakchand Jain	-	Member

During the year 2012-2013 the Audit Committee met Four (4) times on 15.05.2012, 13.08.2012, 03.11.2012, 15.02.2013.

The attendances of the members of the Committee are given below:

Name	Category	No of Meetings during the Year 2012 - 2013	
		Held	Attended
Shri Akhilesh Jain	Chairman	4	3
Shri Harsh Jain	Member	4	4
Shri Manakchand Jain	Member	4	4

REMMUNERATION COMMITTEE

There is no remuneration committee constituted.

INVESTORS' GRIEVANCE & SHARE TRANSFER COMMITTEE

The Board constituted an investors' grievance committee which looks into shareholders and investors grievances under the chairmanship of Shri. Akhilesh Jain who is an Independent and Non - Executive Director. The committee inter alia approves issue of duplicate certificates and oversees all matters connected with the transfer of securities. The committee looks into shareholders complaints like transfer of shares, non receipt of balance sheet, non receipt of declared dividends etc., The committee oversees the performance of the Registrar and Transfer Agents and recommends measures for overall improvement in the quality of investor services. The Board of Directors has delegated the power of approving transfer of securities to M/s. Adroit Corporate Services Private Limited.

Composition of Committee

Shri Akhilesh Jain	-	Chairman
Shri Harsh Jain	-	Member
Shri Manakchand Jain	-	Member

The total no. of complaints received and complied during the year are as follows:-

Received - 1 Complied – 1 Pending - 0

CEO/ CFO CERTIFICATION

A Certificate from the Director on the financial statements of the Company was placed before the Board.

GENERAL BODY MEETINGS

Location and Time of Last 3 Annual General Meetings

DATE	TIME	VENUE
28.09.2010	11.00A.M.	Pranjali School Auditorium, 155/157, August Kranti Marg, Next to Stephens Church, Kemps Corner, Mumbai - 400 036.
31.12.2011	09.30A.M.	Pranjali School Auditorium, Ground Floor, 155/157, August Kranti Marg, Next to Stephens Church, Kemps Corner, Mumbai- 400036
26.11.2012	09.30A.M.	Pranjali School Auditorium, Ground Floor, 155/157, August Kranti Marg, Next to Stephens Church, Kemps Corner, Mumbai- 400036

WHISTLE BLOWER POLICY:

The Company has formulated a policy known as 'Whistle Blower Policy' to allow and encourage our employees to bring to the Management's Notice (Audit Committee) directly, without necessarily informing their superiors about suspected unethical behavior, malpractice, wrongful conduct, fraud, violation of the Company's policies including code of conduct, violation of law or questionable accounting or auditing matters by any employee/director in the Company without fear of reprisal.

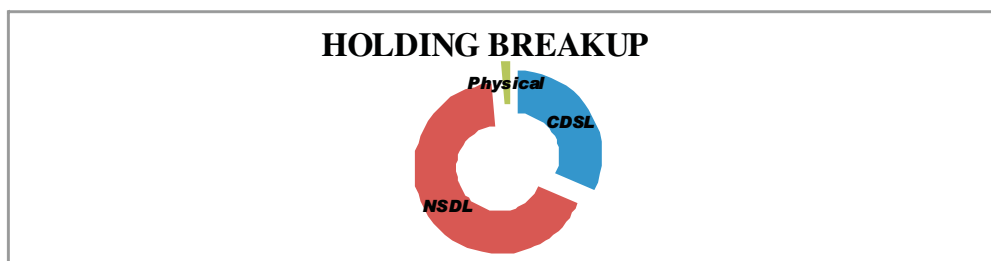
The Company further undertakes that it has not denied any personnel access to the Audit Committee of the Company in respect of matters involving alleged misconduct/malpractice/unethical behavior and that it has provided protection to 'Whistle Blowers' from unfair termination and other unfair or prejudicial employment practices

POSTAL BALLOT

During the year ended 31st March, 2013, no resolution was passed by the Company's shareholder requiring voting by Postal Ballot. At the ensuing Annual General Meeting also, there is no resolution proposed to be passes through Postal Ballot.

DEMATERIALISATION OF SECURITIES

The Company's Shares are available for trading in the Depository System both at the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Demat Status of the Company as on March 31, 2013 is as under



Particulars	No. of Shareholders	No. of Shares	%
CDSL	723	5621709	31.58
NSDL	965	11892791	66.81
PHYSICAL	1194	285800	1.61
TOTAL	2882	17800300	100.00

MEANS OF COMMUNICATION

- The quarterly / annual results are communicated to the Bombay Stock Exchange Limited where the Company's shares are listed and published in Asian Age (English Newspaper) and Mumbai Mitra (Marathi Newspaper)
- The quarterly / half yearly financial results are being sent to all the Stock Exchanges, where the shares of the Company are listed for putting in their own website.
- The Company has not made any presentation to any institutional investors or to analysts during the year

GENERAL SHAREHOLDERS INFORMATION

Date and Time	25 th September, 2013 at 10.30 a.m.
Venue	Pranjali School Auditorium, Ground Floor 155/157, August Kranti Marg, Next to Stephens Church, Kemps Corner, Mumbai - 400 0036
Financial Calendar	1st April - 31st March
Book closure Date	23.09.2013 to 25.09.2013(both days inclusive)
Dividend Payment Date	Not Applicable
Listing on Stock Exchange	The Bombay Stock Exchange Limited
Stock /Scrip Code	511672
ISIN Numbers	INE099G01011
Share transfer system	Share transfer would be registered and returned within a prescribed period from the date of receipt, if the documents are in order in all respects.
Registrar & Transfer Agents.	Adroit Corporate Services Private Limited 19, Jaferbhoy Industrial Street, Makwana Road Marol Naka, Andheri(E), Mumbai- 400 059
Outstanding GDS/ADRs	Nil
Market Price Data : High, Low during each month in the Financial Year 2012 - 2013	Refer Table No. 1
Distribution of Shareholding	Refer Table No. 2
Shareholding Pattern	Refer Table No. 3
Plant Locations	Not Applicable
Address for Correspondence	7/ A, 2nd Floor, Beaumoon Chambers, N. M. Road, Fort, Mumbai - 400 001.

TABLE - 1: STOCK MARKET PRICE DATA

High and Low of market price of the Company's Shares traded on Bombay Stock Exchange Limited, During the Financial Year - 2012 – 2013:-

Month	CIRL on BSE		BSE High	BSE Low
	Highest (₹)	Lowest (₹)		
April, 2012	29.40	24.95	17664.10	17010.66
May, 2012	26.50	19.25	17432.33	15809.71
June, 2012	25.20	21.15	17448.48	15748.98
July, 2012	40.65	26.45	17631.19	16598.48
August, 2012	51.90	33.05	17972.54	17026.97
September, 2012	50.10	40.90	18869.94	17250.80
October, 2012	64.45	44.70	19137.29	18393.42
November, 2012	64.75	43.75	19372.70	18255.69
December, 2012	52.05	40.70	19612.18	19149.03
January, 2013	41.60	33.00	20203.66	19508.93
February, 2013	42.10	29.75	19966.69	18793.97
March, 2013	60.00	40.00	19754.66	18568.43

TABLE – 2: DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2013

Share holding of Nominal Value	Share Holders		Shares Held	
	Number	% of Total	Numbers	% of Total
UPTO - 100	1928	66.90	153509	0.86
101 - 500	620	21.51	178529	1.00
501 - 1000	131	4.55	109689	0.62
1001 - 2000	69	2.39	108725	0.61
2001 - 3000	25	0.87	65419	0.37
3001 - 4000	15	0.52	53195	0.30
4001 - 5000	8	0.28	37066	0.21
5001 - 10000	20	0.69	152212	0.86
10001 - 20000	12	0.42	173849	0.98
20001 - 50000	8	0.28	282113	1.52
50001 - Above	46	1.60	16485994	92.62
Total	2882	100	17800300	100.00

TABLE – 3: SHAREHOLDING PATTERN AS ON 31ST MARCH, 2013

CATEGORY	No. of Shares Held	% of Shareholding
Promoters	757920	4.26
Corporate Bodies	15552914	87.37
Indian Public	1485739	8.35
NRI	227	0.00
Clearing Members	3500	0.02
Total	17800300	100.00

MANAGEMENT RESPONSIBILITY STATEMENT

The financial statements are in full conformity with the requirements of the Companies Act, 1956 and the Accounting Standards issued by the Central Government. The Management of Company accepts responsibility for the integrity and objectivity of these financial statements, as well as, for estimates and judgments relating to matters not concluded by the year-end. The management believes that the financial statements reflect fairly the form and substance of transactions and reasonably presents the company's financial condition, and results of operations. To ensure this, the Company has installed a system of internal controls, which is reviewed, evaluated and updated on an ongoing basis. Our auditors have conducted audits to provide reasonable assurance that the company's established policy and procedures have been followed. However, there are inherent limitations that should be recognised in weighing the assurances provided by any system of internal controls. These financial statements have been audited by M/s. Tushar Parekh and Co., Chartered Accountants, Mumbai, the Statutory Auditors of the Company.

MANAKCHAND JAIN

Place: Mumbai
Date: August 13, 2013

DIRECTOR

CODE OF CONDUCT DECLARATION

Pursuant to clause 49I(D) of the listing agreement entered into with the stock exchange , I hereby declare that all the Board members and senior management personnel of the company have affirmed compliance with the code of conduct for the year ended March 31, 2013.

MANAKCHAND JAIN

Place: Mumbai
Date: August 13, 2013

DIRECTOR

COMPANY SECRETARY REPORT ON CORPORATE GOVERNANCE

I have reviewed the records concerning the Company's compliance of conditions of Corporate Governance procedures as stipulated in Clause 49 of Listing Agreement entered into by the Company with the Stock Exchanges, for the financial year ended on 31st March, 2013.

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

I have conducted our review on the basis of the relevant records and documents maintained by the company and furnished to us for review and the information and explanations given to us by the company. Based on such review, in our opinion, the Corporate Governance Report of the company, referred to above, reflects on a fair basis the status of compliance by the company with the Clause 49 of the Listing Agreement of Stock Exchanges, relating to Corporate Governance, for the FY 2012-13 and that no investors grievance is pending for a period exceeding one month against the Company as per the records mentioned by the Share Department/Share Transfer Agent of the Company.

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

Ajmal Parora & Associates

Company Secretary in Practice
CP No.: 11050

Place: Mumbai
Date: 13th August, 2013

Independent Auditor's Report

To the Members of,
M/s Clarus Infrastructure Realities Limited

Report of Financial Statements

We have audited the accompanying financial statements of M/s. Clarus Infrastructure Realities Limited ("the company") which comprise of the Balance Sheet as at 31st March, 2013, the statement of Profit and Loss and the Cash Flow Statement of the Company for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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.

Auditor's Responsibility

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.

Opinion

Reference is invited to the following:

- (i) The company is yet to make the compounding application with the Central Government on account of non compliance with the provisions of Section 295 of the Companies Act, 1956 in form of obtaining the prior approval of the Central Government in the previous year on account of loan advanced to related parties covered in the register maintained under section 301 of the Companies Act, 1956. We are unable to quantify the financial impact on the financial statements in terms of penal consequences on account of this non compliance.
- (ii) Note No. 21.3, wherein the company is yet to obtain the approval for the scheme of arrangement from the Hon'ble High Court of Orrisa. We reserve our opinion on the effectiveness of the scheme of arrangement since the company has not been able to provide convincing reasons for the inadvertent delay in obtaining the approval from the Hon'ble High Court of Orrisa.

Subject to the effects of matters discussed in para (i) and (ii) above and para 2(d) below, 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:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2013;
- (ii) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- a) As required by the Companies (Auditors Report) Order, 2003 (“the Order”), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- b) 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;
 - 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 except for Accounting Standard 15 “Accounting for Employee Benefits” in respect of leave encashment and Gratuity liability not provided as explained in note 21.15; and
 - e. on the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Tushar Parekh and Associates
Chartered Accountants
FRN No: 117307W

CA Tushar Parekh
Proprietor
Membership Number: 103230

Place: Mumbai
Date: 29th May, 2013

Annexure to the Auditors' Report
(Referred to in Paragraph 3 of our report of even date)

Based upon the information and explanations furnished to us, and the books and records examined by us in the normal course of our audit, we report that to the best of our knowledge and belief:

1. In respect of its fixed assets:
 - a) As explained to us, the company is in the process of maintaining proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information. As on the date of signing of this report the register was not available for verification.
 - b) According to the information and explanations given to us, the fixed assets of the company have been physically verified at the year-end, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. As per the management representation, no material discrepancies have been reported on such verification as compared to book records.
 - c) In our opinion and according to the information and explanations given to us, the Company has not disposed of substantial part of fixed assets during the year and the going concern status of the Company is not affected.
2. In respect of its inventories:
 - a) As explained to us, inventories of shares have been physically verified by the management at regular intervals during the year.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories of shares followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
 - c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of inventories of shares. As explained to us, there was no material discrepancies noticed on physical verification of inventory of shares as compared to the book records.
3. In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
 - a) The Company had granted interest free unsecured loans to two companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year aggregate to ₹ 50,05,000/- and the year-end balance in respect of these loans was ` Nil;
 - b) The above loans being interest free, the question of commenting on the rates of interest does not arise. Further the loans have been received back during the year and hence the question of whether receipt of principal is regular and reasonable steps has been taken for recovery of principal does not arise.
 - c) The Company has taken interest free unsecured loans from one party and one company covered in the register maintained u/s. 301 of the Companies Act, 1956. The maximum amount involved during the year aggregate to ₹ 94,00,000/- and the year-end balance in respect of these loans was ` 68,00,000/-;
 - d) In our opinion and according to the information and explanations given to us, the terms and conditions on which such loans had been taken are not, prima facie prejudicial to the interest of the Company;
 - e) In respect of said loans, these are repayable on demand and hence the question of overdue amounts as such does not arise.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and with regard for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. To the best of our knowledge and belief and according to the information and explanations given to us, the particulars of contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

To the best of our knowledge and according to the information and explanations given to us, there were no transactions in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956, aggregating during the year to ₹ 5,00,000/- (Rupees five lacs) or more in respect of any party.

6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of section 58A and section 58AA or other relevant provisions of the of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rules, 1975 with regard to acceptance of deposits from the public.
7. There is no internal audit system prevalent in the Company.
8. According to information and explanations give to us, Central Government has not prescribed maintenance of Cost Records under Section 209(1)(d) of the Companies Act, 1956 in respect of business activities of the Company.
9. In respect of statutory dues:
 - a) According to the records of the Company, and according to the information and explanations given to us, the company is generally regular in depositing undisputed statutory dues including Investor Education & Protection Fund, Income-Tax, Service tax and other material statutory dues applicable to the company with the appropriate authorities during the year.
 - b) According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2013 for a period of more than six months from the date of becoming payable.
 - c) According to the records of the Company, and as per information and explanations given to us there are no disputed statutory dues outstanding during the year.
10. The accumulated losses of the Company at the end of the financial year are not less than 50% of its net worth. The Company has incurred cash loss in the current and immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The company has not issued any debentures.
12. In our opinion and according to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society.
14. As per information and explanation given to us and books and records produced before us, the company is dealing and trading in shares and securities and proper records have been maintained of transactions and contracts and timely entries have been made therein. Also, shares and securities have been held by the company in its own name.
15. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
16. The Company has not obtained any term loans during the year.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, funds raised on short-term basis during the year have not been used for long-term investments.
18. According to the information and explanations given to us, during the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by way of public issue during the year covered by our audit report.
21. To the best of our knowledge and according to the information and explanations given to us by the management, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.

For Tushar Parekh and Associates
Chartered Accountants

FRN No: 117307W

CA Tushar Parekh
Proprietor

Membership number: 103230

Place: Mumbai

Date: 29th May, 2013

Balance sheet as on 31st March, 2013

Particulars	Note No	31st March 2013	31st March 2012
		(₹)	(₹)
Equity and liabilities			
Shareholder's Funds			
Share capital	2	178,003,000	178,003,000
Reserves and surplus	3	(110,802,307)	(84,158,685)
Non-current liabilities			
Deferred tax liabilities (Net)	21.5	9,259	12,910
Current liabilities			
Short-term borrowings	4	37,744,260	54,528,776
Trade payables	5	72,843,413	68,218,961
Other current liabilities	6	366,688	499,107
Total		178,164,313	217,104,069
Assets			
Non-current assets			
Fixed assets			
Tangible assets	7	100,790	132,005
Long term loans and advances	8	96,911,288	112,550,137
Current assets			
Inventories	9	72,189,344	95,034,990
Trade Receivables	10	-	4,575,744
Cash and cash equivalents	11	2,930,227	233,127
Short term loans and advances	12	6,032,664	4,578,065
Total		178,164,313	217,104,069

Notes forming part of the financial statements

1 - 21

As per our report of even date

For Tushar Parekh and Associates**Chartered Accountants**

Firm Registration Number: 117307W

**For and on behalf of the Board of Directors of
Clarus Infrastructure Realities Limited**

CA Tushar Parekh

Proprietor

Membership Number: 103230

Manakchand Jain

Director

Harsh Jain

Director

Place : Mumbai

Date : 29th May, 2013

Statement of Profit and loss account for the year ended 31st March, 2013

Particulars	Note No	31st March 2013 (₹)	31st March 2012 (₹)
Income			
Revenue from operations	13	159,956,174	736,337,568
Other income	14	664,891	932,470
Total revenue		160,621,065	737,270,038
Expenditure			
Purchases and direct expenses	-	155,127,288	628,014,225
Changes in inventories of shares	15	22,845,646	130,024,829
Employee benefit expense	16	157,625	141,120
Finance cost	17	8,590,683	16,712,879
Depreciation and amortisation expense	7	31,216	33,392
Other expenses	18	515,881	773,708
Total expenditure		187,268,338	775,700,152
Profit/(Loss) before tax	(I - II)	(26,647,273)	(38,430,114)
Tax expense			
Current Tax		-	-
Deferred Tax		(3,651)	(123)
Current tax expense relating to prior years		-	65,727
		(3,651)	65,604
Profit/(Loss) for the year from continuing operations		(26,643,622)	(38,364,510)
Earnings per share:			
Basic and Diluted			
Computed on the basis of total profit from continuing operations	21.6	(1.50)	(2.16)
Notes forming part of the financial statements	1 - 21		

As per our report of even date

For Tushar Parekh and Associates

Chartered Accountants

Firm Registration Number: 117307W

For and on behalf of the Board of Directors of

Clarus Infrastructure Realities Limited

CA Tushar Parekh

Proprietor

Membership Number: 103230

Manakchand Jain

Director

Harsh Jain

Director

Place : Mumbai

Date : 29th May, 2013

Cash flow statement for the ended 31st March, 2013

	31st March 2013	31st March 2012
	₹	₹
Cash flows from operating activities		
Net profit before tax	(26,647,273)	(38,430,114)
<u>Adjustments for</u>		
Add : Non Cash Item/Items required to be disclosed separately		
Depreciation and amortisation	31,216	33,392
Dividend income	(664,891)	(684,891)
Finance cost	8,590,683	16,712,879
Interest income	-	(79,059)
Operating profit before working capital changes	(18,690,265)	(22,447,794)
<u>Changes in Working Capital:</u>		
Inventories	22,845,646	130,024,829
Trade receivables	4,575,744	(4,575,744)
Short-term loans and advances	(1,454,599)	(4,578,065)
Long-term loans and advances	15,638,849	980,248
<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
Trade payables	5,568,712	(140,828,178)
Other current liabilities	(132,419)	381,501
Profit generated from operations	28,351,668	(41,043,203)
Tax paid (net of refunds)	-	(50,137)
Net Cash generated from operating activities	(i) 28,351,668	(41,093,340)
Cash flows from investing activities		
Interest income	-	79,059
Dividend income	664,891	684,891
Net cash generated from investing activities	(ii) 664,891	763,950
Cash flows from financing activities		
Proceeds from other short-term borrowings	28,000,000	64,528,776
Repayment of other short-term borrowings	(45,728,776)	(10,000,000)
Finance cost	(8,590,683)	(16,712,879)
Net cash generated from financial activities	(iii) (26,319,459)	37,815,897
Net change in cash and cash equivalents	(i+ii+iii) 2,697,100	(2,513,492)
Cash and cash equivalents at the beginning of the year	233,127	2,746,619
Cash and cash equivalents at the end of the year	2,930,227	233,127

Notes forming part of the financial statements

1 - 21

As per our report on even date

For Tushar Parekh and Associates

Chartered Accountants

Firm Registration Number: 117307W

For and on behalf of the Board of Directors of

Clarus Infrastructure Realities Limited

CA Tushar Parekh

Proprietor

Membership Number: 103230

Manakchand Jain

Director

Harsh Jain

Director

Place : Mumbai

Date : 29th May, 2013

Notes forming part of financial statements**Note 1 Significant Accounting Policies****a. Basis of Preparation of Financial Statements**

The financial statements have been prepared to comply in all material respects with the accounting standards notified by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accountings policies have been consistently applied by the Company and are consistent with those used in the previous period.

b. Use of Estimates

The preparation of financial statements in conformity with Indian GAPP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, belief that these estimates are reasonable and prudent, actual results may differ from estimates.

c. Inventories

Stock of equity shares held as stock-in-trade by the company is valued at lower of cost or market value. Cost is determined on "first in first out" basis.

d. Cash flow:

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

e. Depreciation

Depreciation has been provided on Straight Line Method in accordance with section 205(2) of the Companies Act, 1956 at the rates specified in schedule XIV to the Companies Act, 1956, on pro-rata basis with reference to the period of use of such assets. Assets costing less than ₹ 5,000/- per item are depreciated at 100% in the year of purchase.

f. Revenue Recognition

Incomes/Expenses/Revenues are accounted for on accrual basis in accordance with the Accounting Standard (AS-9) issued by the Institute of Chartered Accountants of India except for dividend and interest on income-tax. Revenue is recognised to the extent that it is probable that the economic benefit will flow to the company and the revenue can be reliably measured.

Sale of shares is accounted when the contract for sale is entered into.

g. Tangible Fixed Assets

Fixed Assets are stated at cost including all incidental expenses incurred for bringing the asset to its current position, less depreciation at rates prescribed in Schedule XIV to the Companies Act, 1956, subject to provisions of Accounting Standard 26 "Intangible Assets" issued by Institute of Chartered Accountants of India.

h. Amortisation of Intangible Assets

Intangible Assets as defined in Accounting Standard 26-"Intangible Assets" are valued at cost and amortised as per its useful life and value in use.

i. Impairment of Assets

The carrying amounts of Cash Generating Units/Assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount is estimated at

the higher of net realisable value and value in use. Impairment loss is recognised wherever carrying amount exceeds the recoverable amount.

j. Employee Benefits

All short-term employee benefits are recognised at their undiscounted amount in the accounting period in which they are incurred. Retirement Benefits in the form of gratuity and leave salary is accounted on payment basis in the year of payment.

k. Segmental reporting

Operations of the company have been bifurcated into two primary segments i.e. Realty and Trading Segments.

Segment Revenue, Results and Assets and Liabilities figures include the respective amounts identifiable to each of the Primary Segments. Other unallocable expenditure, assets and liabilities relates to corporate as a whole.

l. Earnings Per Share

Earnings per Share has been computed in accordance with Accounting Standard 20 - "Earning Per Share" by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The earnings considered for ascertaining the company's Earnings per Share is the net profit after tax.

m. Taxes on Income

Provision for current tax is made for the tax liability payable on taxable income after considering the allowances, deductions and exemptions and disallowances if any determined in accordance with the prevailing tax laws.

The differences between the taxable income and the net profit or loss before tax for the period as per the financial statements are identified and the tax effect on the timing differences is recognised as deferred tax asset or deferred tax liability. Deferred Tax Assets on timing differences are recognised only if there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. However, deferred tax assets when unabsorbed depreciation and losses carried forward exist, are recognised only to the extent that there is virtual certainty that sufficient taxable income will be available to realise such assets.

n. Provisions, Contingent Liabilities and Contingent Assets

The Company creates a provision when there is a present obligation as a result of an obligating event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the outflow.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the company.

Contingent Assets are neither recognised nor disclosed in the Financial Statements as a matter of prudence.

Notes forming part of the financial statements

Note 2 Share capital

Particulars	31 March, 2013 (₹)	31 March, 2012 (₹)
(a) Authorised		
1,80,00,000 equity shares of ₹ 10/- each with voting rights	180,000,000	180,000,000
	<u>180,000,000</u>	<u>180,000,000</u>
(b) Issued , subscribed and fully paid up		
1,78,00,300 equity shares of ₹ 10/- each fully paid up with voting rights	178,003,000	178,003,000
(Of the above 1,48,00,000 (previous Year Nil) equity shares of Rs. 10/- each with voting rights have been allotted as fully paid by preferential allotment)		
	<u>178,003,000</u>	<u>178,003,000</u>

Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Issued, subscribed and fully paid up

Particulars	Opening balance	Fresh issue	Bonus	ESOP	Conver-sion	Buy back	Other changes	Closing balance
Equity shares with voting rights								
Year ended 31 March, 2013								
- Number of shares	17,800,300	-	-	-	-	-	-	17,800,300
- Amount (₹)	178,003,000	-	-	-	-	-	-	178,003,000
Year ended 31 March, 2012								
- Number of shares	17,800,300	-	-	-	-	-	-	17,800,300
- Amount (₹)	178,003,000	-	-	-	-	-	-	178,003,000

(ii) The company has only one class of shares having par value of Rs. 10/- per share. Each holder of share is entitled to one vote per share.

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/Name of shareholder	31 March, 2013		31 March, 2012	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Blue Circle Services Ltd	1,385,770	7.79	1,431,500	8.04
Decent Vincom Pvt Ltd	2,547,221	14.31	1,936,100	10.88
Gujarat Flurochemicals Ltd	907,000	5.10	907,000	5.10
Mono Herbicides Ltd	3,319,756	18.65	1,485,693	8.35
Shree Thirumalai Marketing & Investments	-	-	1,000,000	5.62

Notes forming part of the financial statements

	31 March, 2013	31 March, 2012
	(₹)	(₹)
Note - 3 Reserves and surplus		
Surplus/(Deficit) in statement of profit and loss		
Balance as per last financial statement	(84,158,684)	(45,794,175)
Add: Profit/(loss) for the year	(26,643,622)	(38,364,510)
Net surplus/(Deficit) in statement of profit and loss	<u>(110,802,306)</u>	<u>(84,158,685)</u>
Note - 4 Short-term borrowings		
(Unsecured, unless otherwise specified)		
Loans repayable on demand		
From other parties	30,944,260	35,000,000
From related parties (Refer note 20)	6,800,000	1,500,000
Book overdraft with scheduled bank	-	18,028,776
	<u>37,744,260</u>	<u>54,528,776</u>
Note - 5 Trade payables		
Sundry Creditors		
	<u>72,843,413</u>	<u>68,218,961</u>
	<u>72,843,413</u>	<u>68,218,961</u>
Note - 6 Other current liabilities		
Statutory remittances		
	<u>366,688</u>	<u>499,107</u>
	<u>366,688</u>	<u>499,107</u>
Note - 8 Long term loans and advances		
Income tax paid		
	50,137	50,137
[Net of provision for tax ₹ Nil (Previous Year ₹ Nil)]		
Advance towards property (Refer note 21.13)	<u>96,861,151</u>	<u>112,500,000</u>
	<u>96,911,288</u>	<u>112,550,137</u>
Note - 9 Inventories		
(As taken, valued and certified by the management)		
(Valued at lower of cost or net realisable value)		
Closing stock of shares		
	72,189,344	95,034,990
(Market value ₹ 7,21,93,733/-, Previous year. ₹ 9,50,34,990/-)		
	<u>72,189,344</u>	<u>95,034,990</u>
Note - 10 Trade receivables		
Outstanding for a period exceeding six months		
	-	-
Other trade receivables	<u>-</u>	<u>4,575,744</u>
	<u>-</u>	<u>4,575,744</u>
Note - 11 Cash and cash equivalents		
Cash on hand		
	85,865	122,129
Balance with scheduled banks		
- In current account	52,730	110,999
Cheques in hand	<u>2,791,632</u>	<u>-</u>
	<u>2,930,227</u>	<u>233,127</u>
Note - 12 Short term loans and advances		
(Unsecured, Considered Good)		
Advance recoverable in cash or in kind or for value to be received (Refer note 21.14)		
	5,638,849	-
Balance with excise authorities	73,065	73,065
Loans and advances to related parties (Refer note 20 and note 21.4)	-	4,505,000
Loans and advances to others	<u>320,750</u>	<u>-</u>
	<u>6,032,664</u>	<u>4,578,065</u>

Notes forming part of the financial statements

	31 March, 2013	31 March, 2012
	(₹)	(₹)
Note - 13 Revenue from operations		
Sale of shares	155,992,822	728,261,858
Compensation received (Refer Note 21.14)	3,963,352	-
Gains in derivative transactions (Net)	-	8,075,711
	159,956,174	736,337,568
Note - 14 Other income		
Interest income	-	79,059
Dividend income	664,891	684,891
Miscellaneous income	-	103,695
Prior Period Items	-	64,825
	664,891	932,470
Note - 15 Changes in inventories of shares		
Inventories at the end of the year	72,189,344	95,034,990
Less : Inventories at the beginning of the year	95,034,990	225,059,819
	22,845,646	130,024,829
Note - 16 Employee benefit expense		
Salaries and Bonus	146,575	138,681
Staff Welfare Expenses	1,500	2,439
Leave Salary	9,550	-
	157,625	141,120
Note - 17 Finance cost		
Interest Expense	8,590,683	16,712,879
	8,590,683	16,712,879
Note - 18 Other expenses		
Advertisement	65,352	55,629
Printing & stationery	33,740	55,791
Telephone expenses	-	2,114
Travelling & conveyance	3,717	1,207
Miscellaneous expenses	101,392	169,289
Listing fees	44,944	44,120
Bank charges	1,556	1,184
Payment to Auditor (Refer details below)	56,180	56,180
Professional and legal fees	185,000	360,000
Registrar & transfer agent charges	24,000	28,194
	515,881	773,708
Payment to auditor:		
Audit fee	25,000	25,000
Tax audit fee	15,000	15,000
Limited review	10,000	10,000
In other capacity:		
Service tax	6,180	6,180
	56,180	56,180

Notes forming part of the financial statements

Note 7 Fixed assets

A Tangible assets	Gross block									Balance as at 31 March, 2013
	Balance as at 1 April, 2012	Additions	Disposals	Acquisitions through business combinations	Reclassified as held for sale	Revaluation increase	Effect of foreign currency exchange differences	Borrowing cost capitalised	Other adjustments	
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
Plant and Equipment	200,982	-	-	-	-	-	-	-	-	200,982
Furniture and Fixtures	66,606	-	-	-	-	-	-	-	-	66,606
Office equipment	161,684	-	-	-	-	-	-	-	-	161,684
Total	429,272	-	-	-	-	-	-	-	-	429,272
Previous year	429,271	-	-	-	-	-	-	-	-	429,271

Note 7 Fixed assets (contd.)

A Tangible assets	Accumulated depreciation and impairment						Net block			
	Balance as at 1 April, 2012	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Eliminated on reclassification as held for sale	Impairment losses recognised in statement of profit and loss	Reversal of impairment losses recognised in Statement of Profit and Loss	Other adjustments	Balance as at 31 March, 2013	Balance as at 31 March, 2013	Balance as at 31 March, 2012
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
Plant and Equipment	101,960	23,061	-	-	-	-	-	125,021	75,961	99,022
Furniture and Fixtures	64,665	475	-	-	-	-	-	65,140	1,466	1,941
Office equipment	130,641	7,680	-	-	-	-	-	138,321	23,363	31,043
Total	297,266	31,216	-	-	-	-	-	328,482	100,790	132,006
Previous year	263,874	33,392	-	-	-	-	-	297,266	132,006	165,397

Notes forming part of the financial statements

Note 19 Segment information

The Company has identified business segments as its primary segment. Business segments are primarily **Financial** and **Realty**. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable.

Particulars	For the year ended 31 March, 2013			
	Business segments			Total
	Financial (₹)	Realty (₹)	Unallocated (₹)	(₹)
Revenue	156,657,713	3,963,352	-	160,621,065
	<i>737,190,981</i>	-	<i>79,057</i>	<i>737,270,038</i>
Segment result	(30,603,323)	3,963,352	(3,651)	(26,643,622)
	<i>(38,365,621)</i>	-	<i>1,110</i>	<i>(38,364,510)</i>
Operating income	(21,980,111)	3,963,352	-	(18,016,759)
	<i>(21,701,486)</i>	-	-	<i>(21,701,486)</i>
Other income (net)	664,891	-	-	664,891
	<i>764,307</i>	-	<i>168,163</i>	<i>932,470</i>
Profit before taxes	(27,818,993)	1,171,720	-	(26,647,273)
	<i>(38,430,114)</i>	-	-	<i>(38,430,114)</i>

Particulars	For the year ended 31 March, 2013			
	Business segments			Total
	Financial (₹)	Realty (₹)	Unallocated (₹)	(₹)
Segment assets	75,664,313	102,500,000	-	178,164,313
	<i>81,986,639</i>	<i>112,500,000</i>	<i>12,910</i>	<i>194,499,549</i>
Segment liabilities	110,954,361	-	9,259	110,963,620
	<i>100,655,234</i>	-	-	<i>100,655,234</i>
<u>Other information</u>	-	-	-	-
Depreciation and amortisation (allocable)	-	-	-	-

Note: Figures in italics indicate previous years figures

Notes forming part of the financial statements

Note 20 Related party transactions

<u>Description of relationship</u>	<u>Names of related parties</u>
Key Management Personnel (KMP)	Mr Manakchand Jain Mr Harsh Jain
Relatives of KMP	Nil
Company in which KMP/Relatives of KMP can exercise significant influence	Plantinum Finvest Pvt Ltd (Company in which son of Mr Manakchand Jain is a Director) Verbena Mercantile Pvt Ltd (Company in which Mr Manakchand Jain is a Director) Elan Capital Advisors Pvt Ltd (Company in which son of Mr Manakchand Jain is a Director)

Note: Related parties have been identified by the Management.

Details of related party transactions during the year ended 31 March, 2013 and balances outstanding as at 31 March, 2013:

Particulars	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence	Total
(₹)				
<u>Transactions during the year</u>				
Loans taken	100,000 (1,500,000)	-	7,900,000 (-)	8,000,000 (1,500,000)
Repayment of Loans taken	1,500,000 (-)	-	1,200,000 (-)	2,700,000 -
Loans advanced	-	-	-	-
	(-)	(-)	(5,005,000)	(5,005,000)
Repayment of loans advanced	-	-	4,505,000	4,505,000
	(-)	(-)	(500,000)	(500,000)
Professional fees paid	-	-	-	-
	(-)	(140,000)	(-)	(140,000)
Reimbursement of expenses	-	-	2,500	2,500
	(-)	(-)	(1,050)	(1,050)
<u>Balances outstanding at the end of the year</u>				
Borrowings	100,000 (1,500,000)	-	6,700,000 (-)	6,800,000 (1,500,000)
Loans advanced	-	-	-	-
	(-)	(-)	(4,505,000)	(4,505,000)
Trade Payables	-	-	-	-
	(-)	(-)	(60,612)	(60,612)

Note: Figures in brackets relates to the previous year

Note 21 Additional information to the financial statements

Note Particulars

	31st March, 2013	31st March, 2012
	(₹)	(₹)
21.1 Contingent liabilities and commitments (to the extent not provided for)		
(i) Contingent liabilities		
(a) Claims against the Company not acknowledged as debt	Nil	Nil
(b) Guarantees	Nil	Nil

21.2 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006
 Micro, Small and Medium Enterprises in terms of section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 have been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by the auditors. Since the relevant information is not readily available, no disclosures have been made in the accounts. However, in the opinion of the management, the impact of interest, if any, that may be payable in accordance with the provision of this Act is not expected to be material.

21.3 Details of Merger

In terms of the Scheme of Arrangement (the Scheme), M/s Scan Steels Ltd (referred to as „Transferor Company”), had been proposed to be merged with the Company (“Transferee Company”), upon which the undertaking and the entire business, including all assets and liabilities of the Transferor Companies shall stand transferred to and vested in the Transferee Company at their book value as determined by the Board of Directors of the Transferee Company.

The Scheme of Arrangement filed by the Company has been approved by the Honourable High Court of Judicature at Mumbai on 11th May, 2012 with an appointed date of 1 April 2010, being the date on which all the requirements under the Companies Act, 1956 have been completed. However, since the transferor company's registered office is situated in the State of Orissa, the approval of the scheme by the Hon'ble High Court of Mumbai is subject to approval from the Hon'ble High Court of Orissa. The application with the Hon'ble High Court of Orissa is pending as on the date of signing of this report. Pursuant to the Scheme, the Company shall be allotting 2,00,00,000 equity shares of ₹ 10/- each of the company to the shareholders in the Transferor Companies.

The present standalone annual accounts of the company are prepared without giving effect of the above merger. The same will be reinstated for financial years 2010-2011, 2011-2012 and 2012-13 once the scheme has been approved by the Hon'ble High Court of Orissa and the relevant formalities are completed by both the transferor and transferee companies.

21.4 Loans and advances in the nature of loans given to associates :

Name of the party	Relationship	Amount outstanding as at 31 March, 2013	Maximum balance outstanding during the year
Verbena Mercantile Pvt Ltd	Company in which director of the company is a Director	-	4,500,000
Plantinum Finvest Pvt Ltd	Company in which son of the director of the company is a	-	5,000
		(4,500,000)	(5,000,000)
		(5,000)	(-)

Note: Figures in bracket relate to the previous year.

21.5 Deferred Tax Asset/Liability (Net)

	31st March, 2013	31st March, 2012
	(₹)	(₹)
Deferred tax assets		
On difference between book balance and tax balance of fixed assets	9,259	12,910
Gross deferred tax assets (A)	<u>9,259</u>	<u>12,910</u>
Deferred Tax Liability		
On difference between book balance and tax balance of fixed assets	-	-
Gross deferred tax liability (B)	<u>-</u>	<u>-</u>
Deferred tax Asset/(Liability) (Net) (A-B)	<u>9,259</u>	<u>12,910</u>

21.6 Earnings per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

Notes forming part of the financial statements

Note 21 Additional information to the financial statements

Note **Particulars**

		31st March, 2013	31st March, 2012
		(₹)	(₹)
Total (continuing) operations for the year			
Profit/(loss) after tax		(26,643,622)	(38,364,510)
Less : Dividends on convertible preference share & tax thereon		-	-
Net profit/(loss) for calculation of basic/diluted EPS	(A)	<u>(26,643,622)</u>	<u>(38,364,510)</u>
Weighted average number of equity shares in calculating basic EPS	(B)	17,800,300	17,800,300
Earnings per share (EPS) (basic/diluted)	(A/B)	<u>(1.50)</u>	<u>(2.16)</u>
		31st March, 2013	31st March, 2012
		(₹)	(₹)
21.7	Value of imports calculated on CIF basis	Nil	Nil
21.8	Expenditure in foreign currency	Nil	Nil
21.9	Earnings in foreign exchange	Nil	Nil
21.10	The balances appearing under short term borrowings, sundry creditors, short term loans and advances, and certain banks are subject to confirmation and reconciliation and consequential adjustment, if any, will be accounted for in the year of confirmation and/or reconciliation		
21.11	In the opinion of the Board, assets other than fixed assets do have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.		
21.12	The company is not registered as a NBFC with the Reserve Bank of India and accordingly has not complied with the direction related to provisions of Non Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.		
21.13	Other advances includes ₹ 9,68,61,151/- (Previous year ₹ 11,25,00,000/-) paid to M/s Bafna Builders & Land Developers ("BBLD") as advance towards booking of flats in the "Anmol Nayantara Gold Project" at Nasik by BBLD. The company has received the allotment letter to that extent from BBLD. Registration of the proposed flats for the above projects are yet to be done and hence the same has been reflected under other advances. The company is in receipt of a letter from BBLD mentioning that the project is scheduled to be completed by December 2013.		
21.14	During the year, the company after negotiations with BBLD has transferred its rights in certain of the above flats allotted to the company by BBLD, in favour of third parties. The consideration for the same of ₹ 39,63,252/- (net of transfer fees payable to BBLD for the transfer) has been recognised as revenue for the year. Accordingly, outstanding amount of ₹ 56,38,849/- receivable from BBLD on account of the principal has been reflected under advance recoverable in cash or in kind or for value to be received.		
21.15	Since the Company recognises gratuity on payment basis no liability for the same has been ascertained and provided in the accounts. Hence, the company has not complied with the provisions of AS-15 "Accounting for Retirement Benefit".		
21.16	Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.		

CLARUS INFRASTRUCTURE REALTIES LIMITED

Regd. Office : 7/A, 2nd Floor, Beaumont Chambers, N.M. Road, Fort, Mumbai – 400 001.

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies vide its circular no. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 after considering certain provisions of the Information Technology Act, 2000, permitted the companies to send the notices / annual reports etc. through email to its members. To support this green initiative of the MCA whole heartedly, members who have not yet registered their email address, are requested to register their e-mail address with the Depository through their concerned Depository Participant and members who hold shares in physical mode are requested to intimate their e-mail address at which they would like to receive the above documents electronically, either to the company or to its Registrar and Share Transfer Agent. Shareholders are requested to fill the consent form below and send it to the Registrar and Share Transfer Agent, Adroit Corporate Services Pvt Limited or to the company

CONSENT FOR RECEIVING DOCUMENTS IN ELECTRONIC MODE

(Pursuant to circulars no. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011)

To,
 Adroit Corporate Services Private Limited
 19, Jafferbhoy Industrial Estate,
 Makwana Lane, Marol Naka,
 Andheri (E),
 Mumbai-400 059.

Dear Sir,

I/We _____ shareholder (s) of Clarus Infrastructure Realities Limited, agree to receive all notices and documents including the Annual Report, Notice for General Meetings and other Shareholders Communication in electronic mode (through email).

I/We request you to kindly register my / our below mentioned email id in the Company's records for sending such communication through email.

Folio No...../DP ID No.*.....and Client ID No.*.....
 *Applicable for members holding shares in electronic form.

Name of the Sole / First Shareholder : _____

Name of the Joint Shareholders (if any) : _____

No. of Shares held : _____

E-mail id for receipt of documents in Electronic mode : _____

Date :

Place :

Signature: _____

(Sole / First Shareholder)

Note:

1. Shareholders are requested to inform the Company's Registrar and Share Transfer Agents as and when there is change in their registered email-id.
2. For shares held in demat form, shareholders are also requested to inform /update their email-ids to their respective Depository Participants.

PROXY FORM

No. of Shares.....

DP. Id.:.....

Client ID / Folio No.....

I/We.....of.....

..... in the district of.....

being a Member / Members of the above-named Company, hereby appoint.....

of.....in the district of.....or failing

him/her.....of..... in the

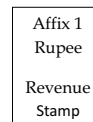
district of..... as my/our Proxy to attend and vote for me/us and on my/our behalf at the 20th

Annual General Meeting of the Company to be held at 10.30 A.M. on Wednesday, the 25th September, 2013 at Pranjali

School Auditorium, Ground Floor, 155/157, August Kranti Marg, Next to Stephens Church, Kempes Corner, Mumbai-

400036 and any adjournment thereof.

Signed this _____ day of _____ 2013



NOTE: The Proxy Form duly completed must be deposited at the registered office of the Company not less than 48 hours before the meeting.

ATTENDANCE SLIP

Please fill in the Attendance Slip and hand it over at the entrance of the Meeting Hall.

Joint shareholder may obtain additional slip on request.

D. P. ID..... Folio No.....

Client ID..... No. of Share(s) held.....

Name of the Shareholder.....

Name of the Proxy:

I hereby record my presence at the 20th Annual General Meeting of the Company held at 10.30 A.M., Wednesday, the 25th September, 2013 at Pranjali School Auditorium, Ground Floor, 155/157, August Kranti Marg, Next to Stephens Church, Kempes Corner, Mumbai- 400036 and any adjournment thereof.

Signature of the Attending Member/Proxy:.....

Book Post

If Undelivered please return to:

CLARUS INFRASTRUCTURE REALITIES LIMITED

Regd. Off.: 7/ A, 2nd Floor, Beaumont Chambers,
N. M. Road, Fort, Mumbai – 400 001.