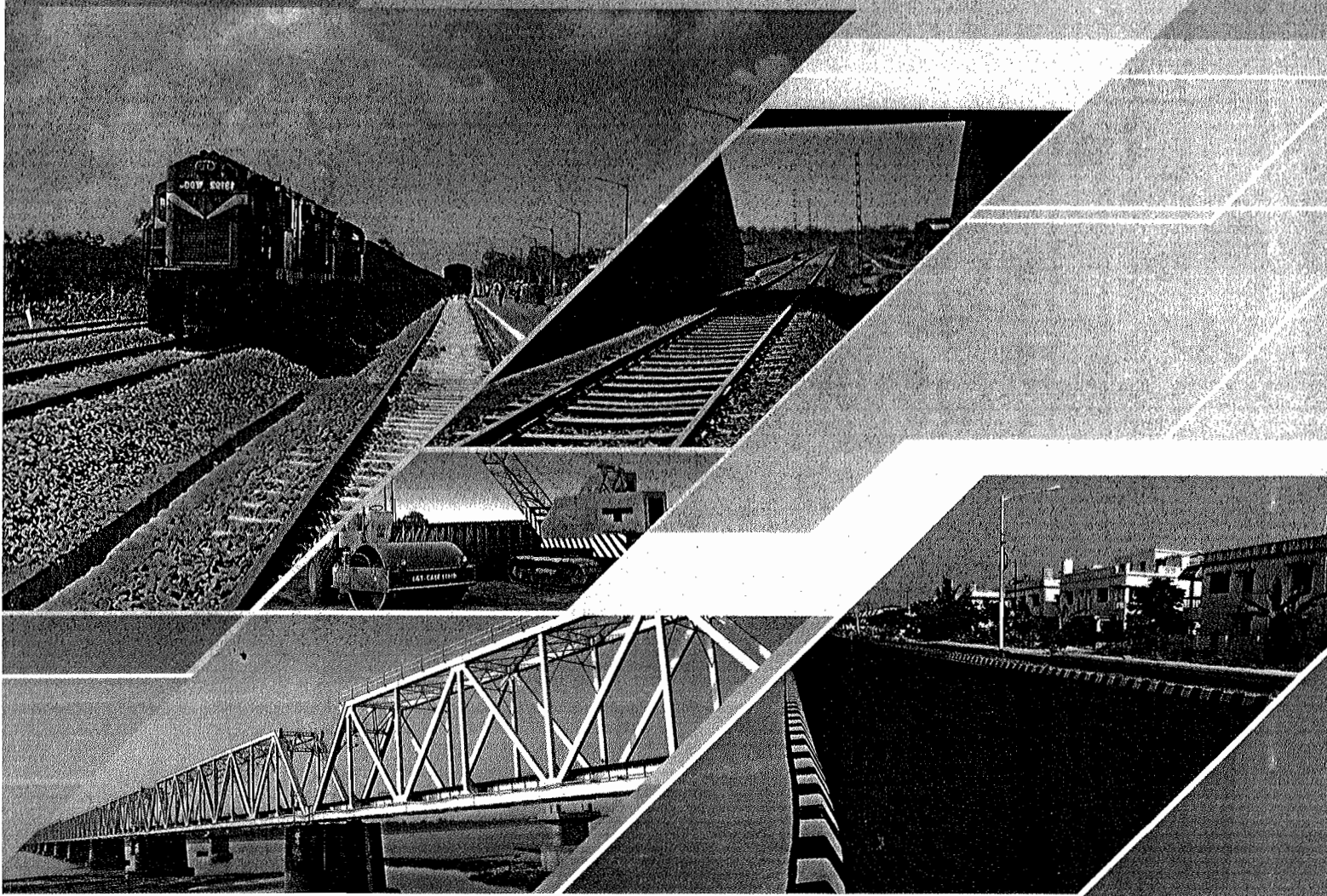
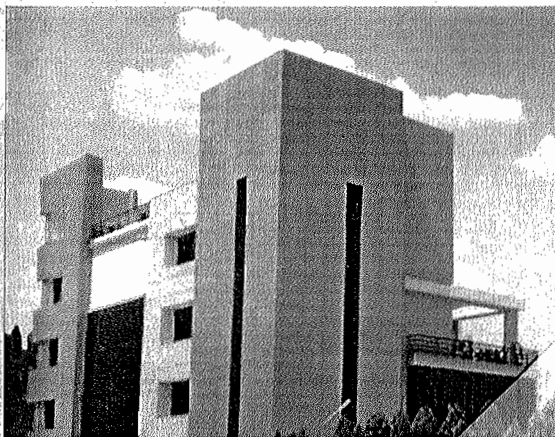


Annual Report 2008-2009



ARSS Infrastructure Projects Limited



Registered Office Bhubaneswar



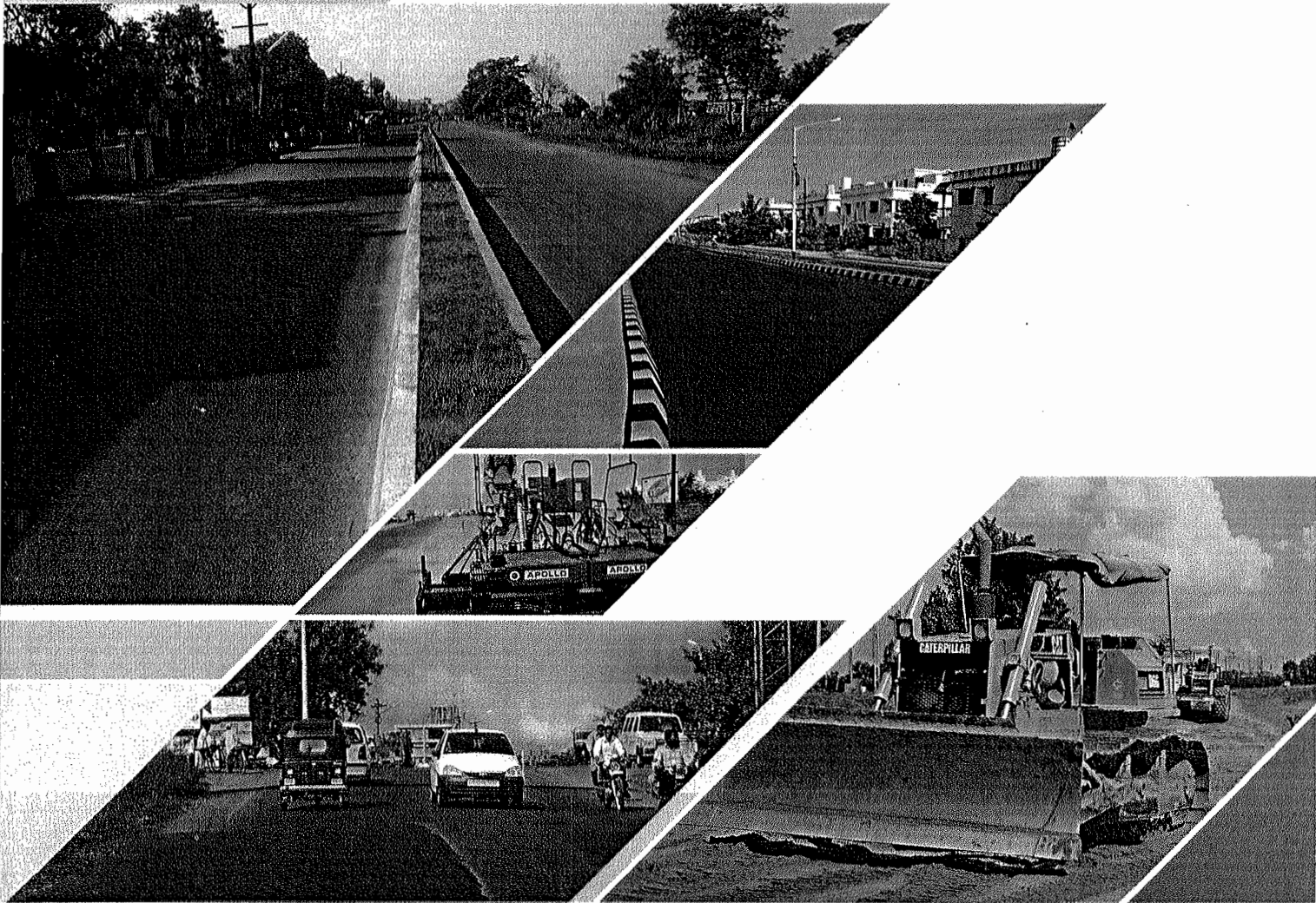
Annual Report

2008-09



ARSS Infrastructure Projects Limited

Roads Construction Site



Crusher Unit



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BOARD OF DIRECTORS

Chairman

Mr. Subash Agarwal

Independent Directors

Dr. B. Samal

Mr. S. C. Parija

Mr. D.K. Dey

Mr. S.R. Chaudhuri

Executive Directors

Mr. S.K. Pattanaik

Mr. S.S. Chakraborty

Managing Director

Mr. Rajesh Agarwal

Chief Executive Officer

Mr. Sunil Agarwal

Chief Operating Officer

Mr. Anil Agarwal

Vice President & Project Head

Mr. S.K. Singla

Company Secretary

Mr. Bibhuti Bhusan Sahoo

AUDITORS

P. A. & Associates
Chartered Accountants,
Bhubaneswar - 751010

BANKERS

State Bank of India

Commercial Branch

Bhubaneswar - 751001

Bank of India

Kapil Prasad, Market Complex Branch

Kapil Prasad, Bhubaneswar

ICICI Bank Ltd.

R.N. Mukherjee Branch

Rasoi Court, 20

Kolkata 700 001

IDBI Bank Ltd.

Janpath Branch, IDBI House

Janpath, Bhubaneswar 751 022

REGISTERED OFFICE

Plot No-38, Sector-A, Zone-D,

Mancheswar Industrial Estate

Bhubaneswar-751010

Phone - 91 674 258 8552 / 4

Fax - 91 674 258 5074

E-mail-response@arssgroup.in

Website- www.arssgroup.in

CORPORATE OFFICE

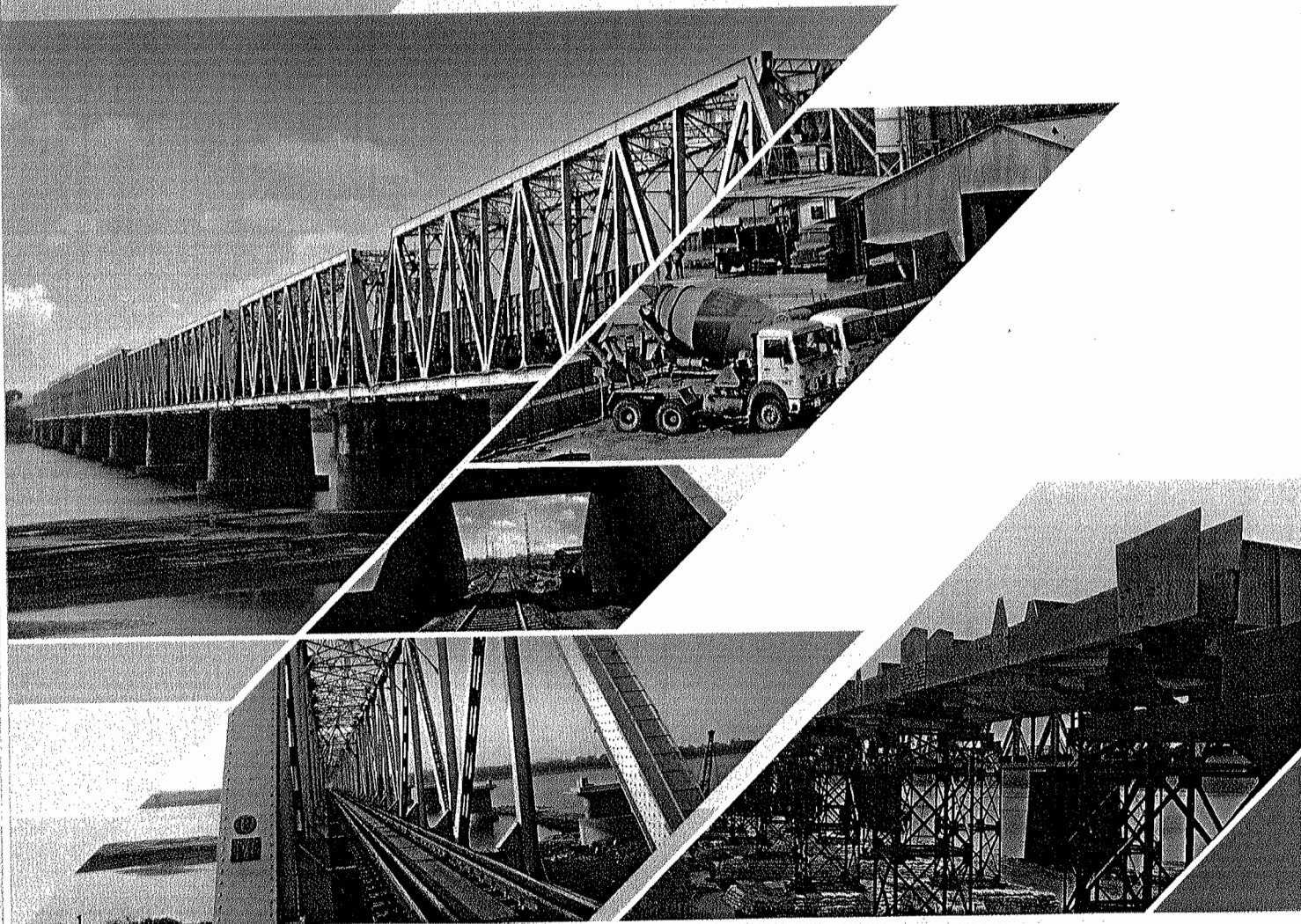
141, SBI Colony, Paschim Vihar

New Delhi 110063

Tel: +91 11 4553 8638

Fax: +91 11 2528 7357

Railway Major Bridge





Chairman's Letter to Shareholders

Dear Shareholders,

The year 2008-2009 has been a very significant and historic one for your Company and it gives me great pleasure to place before you the 9th Annual Report on the Company's performance.

At the very outset, I would like to share with all of you my deep sense of satisfaction over the sterling results achieved by your Company, which has grown on a large scale across all segments of the Infrastructure sector and has successfully emerged one of the largest players in eastern India.

As you all may kindly be aware that the highlight of the year under review was the very successful execution of some major railway and road projects and creating a brand value for the Company in infrastructure sector throughout India.

I am indeed happy to inform you that the Company's IPO is expected any time during the current year and SEBI vide their letter dated 2nd January, 2009 have approved the DRHP and given their consent to bring the IPO.

Your Company has recorded consolidated revenue of Rs 624.38 crores for the year ended 31st March 2009, an increase of 99.00% over Rs 313.67 crores in the financial year 2007-08. EBITD stands at Rs 104.96 crores, an increase of 105% as compared to Rs 51.21 crore in the last year. Net profit is Rs 50.09 crore, up by 85% from Rs 27.10 crores as recorded in the last year. The EPS for the financial year 2008-09 stands at Rs 39.90 as compared to Rs 23.77 for the financial year 2007-08, a significant growth of 68%.

With the dynamic growth in the Indian economy, the infrastructure industry would see a paradigm shift bringing lot of opportunities to all major players. This will give rise to fresh challenges for new methods and technologies of construction, execution and creation of innovative projects in the infrastructure sector.

Your company has foreseen the demand by the demographic expanse of India's population and vibration of its economy which will bring lots of opportunities for your Company.

As we head into the next year, I express my sincere gratitude towards our employees for their sincere dedication and hard work. I also thank our clients for placing their trust in us and vesting us with critical responsibilities and our Shareholders, Bankers, Lenders for their persistent support.

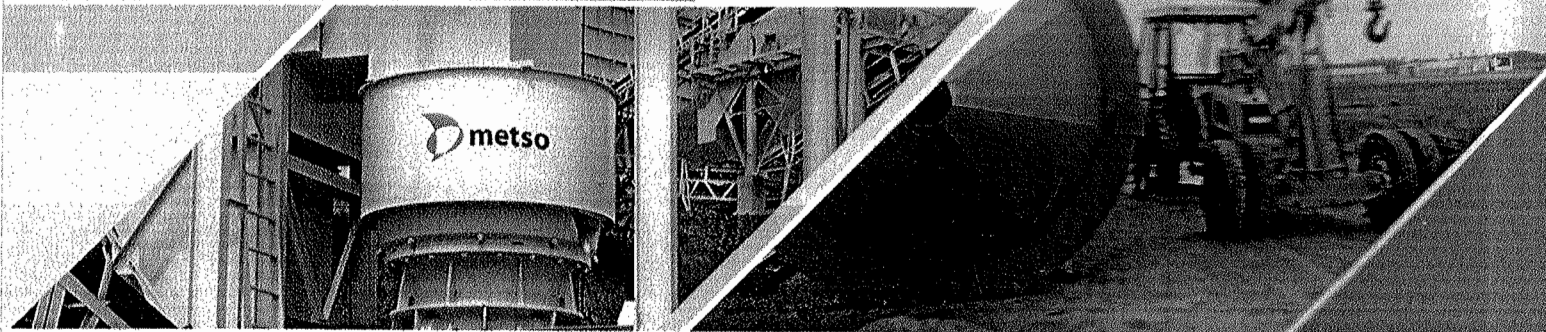
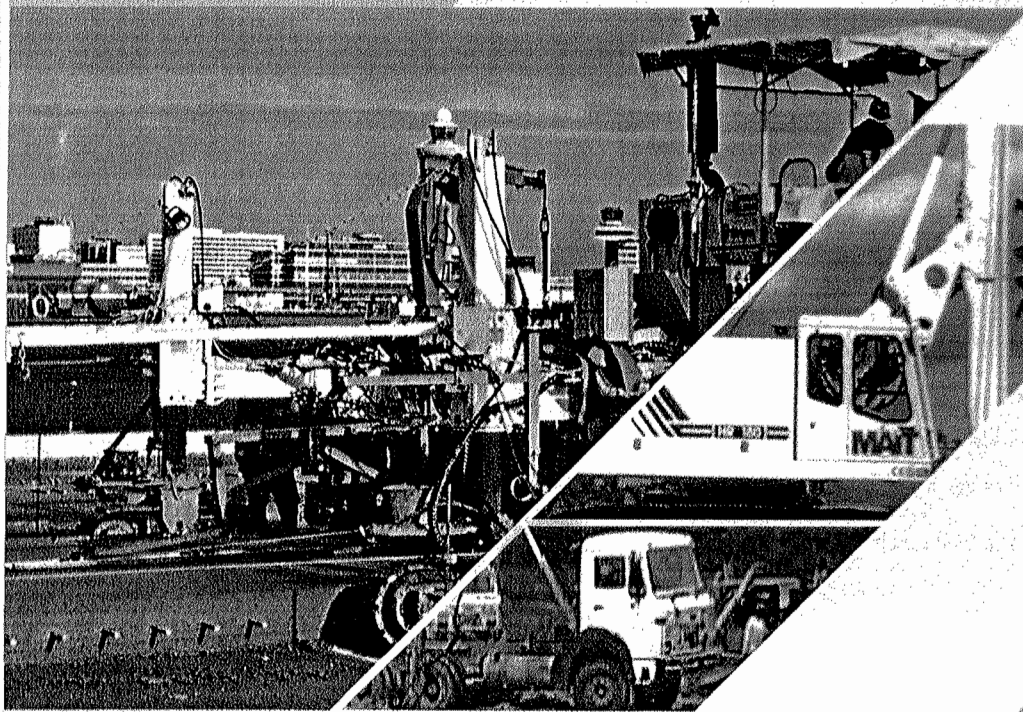
I assure all that we are committed to do everything better to justify the faith reposed in us.

Best regards,
Yours sincerely

Place: Bhubaneswar
Dated: The 8th day of May, 2009

(Subash Agarwal)
Chairman

Imported Equipments





DIRECTORS' REPORT

To
The Members,
ARSS Infrastructure Projects Ltd.
Regd. Office: Sector-A, Zone-D, Plot No. -38
Mancheswar Industrial Estate,
Bhubaneswar-751010
Orissa.

The Board of Directors has pleasure in presenting the ninth Annual Report together with the Audited Accounts of the company for the year ended 31st March, 2009.

1. FINANCIAL REPORTS

Rs. in crores

	2008-09	2007-08
Revenue	624.38	313.67
Profit before Depreciation, Interest & Tax	104.96	51.21
Less: Depreciation	7.35	3.95
Less: Interest	27.02	9.42
Profit Before Tax	70.59	37.84
Less : Income Tax For current year (including provision for Deferred Tax and Fringe Benefit Tax)	19.48	10.48
For earlier years	1.03	0.27
Profit After Tax	50.09	27.10
Surplus Brought Forward	40.23	14.91
Profit Available for Appropriation	90.31	42.01
Transfer to General Reserve	2.50	0.31
Utilisation on Bonus issue	-	-
Dividend & Dividend Tax	1.47	1.47
Surplus Carried Forward	86.34	40.23
Earning per Share (in Rs.) (equity shares of face value of Rs. 10)	39.90	23.77

2. OPERATIONS

It gives me immense pleasure to bring into your kind attention that the Company has recorded the highest ever turnover of Rs. 624.38 Crores as compared to Rs. 313.67 Crores for the previous year. The Company has also earned a substantially higher after tax profit of Rs. 50.09 Crores for the year as against Rs. 27.10 Crores in the previous year.

During the year, the Company has executed many prestigious contracts and has also been awarded with a number tenders for execution. Your Company's operating parameters have also shown further improvements. During the year your Company has executed projects on Pan India basis and expects to grow at a faster rate.

3. ORDER BOOK

The Company has been awarded with work worth more than Rs. 2,500 crore, which includes the following major assignments:

- a) Construction, rehabilitation and widening of Cuttack - Paradeep road, Orissa with a contract value of Rs. 208.27 crores.
- b) Construction of road bed, bridges, facilities and general electrification for the Construction of new broad gauge line between Haridaspur and Paradeep, Orissa, with a contract value of Rs. 110.24 crores.
- c) Construction of BRTS Corridor and Development of road, Jaipur Development Authority, Rajasthan, having a contract value of Rs. 159.02 crores.
- d) Construction and four laning of the Singaperumal - Koil - Sriperumpudur road, Tamil Nadu, with a contract value of Rs. 102.26 crores.
- e) Construction of new broad gauge line, bridges, earthwork cuttings, road over bridges, road under bridges and sub ways between Salem-Karur, Chennai, having a contract value of Rs. 51.39 crores.
- f) Irrigation and canal work for construction of Bahragora distributry main canal, earthwork, lining in Jharkhand, with a contract value of Rs. 35.63 crores.
- g) JSPL, Angul Project-Work Order for execution of Rail Infrastructure Work, Orissa, with a contract Value of Rs.261.00 Crores.
- h) Construction for widening and strengthening of existing carriageway to two lane for Chandbali-Bhadrak-Anadpur (Km 0/0 to Km 45/0 of SH-9 and Km 0/0 to Km 50/0 of SH-53), Orissa, having a contract value of Rs.216.23 Crores.
- i) Widening and Strengthening of Existing Carriageway to 2 lane Bhawanipatna to Khariar (2/0 Km to 70/0 Km SH-16), Orissa, with a contract Value of Rs.105.51 Crores.
- j) Construction for widening and strengthening of existing carriageway to two lane for Berhampur to taptapani (Km 0/0 to Km 41/0 of SH-17) Orissa, with a contract Value of Rs.81.97 Crores.



4. IPO

The Company had filed the Draft Red Herring Prospectus (DRHP) with SEBI on 25/02/2008. It is a matter of pleasure that SEBI vide their letter dated 2nd January, 2009 have approved the DRHP and have given their consent to bring the IPO within one year from the date of approval. The Company is in the process of compiling with the essential prerequisites of IPO and the same is expected to materialize shortly.

5. AUDITORS

The auditors, M/s. P.A. and Associates, Chartered Accountants who retire at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

6. REPORT OF AUDITORS

The notes on accounts and observations of the Auditors in their report on the accounts of Company are self explanatory except clause no. 4.2 (a) and (b) which call for further explanation. They are as follows;

- a) Provision of Rs.14.00 Lakhs on account of retirement gratuity has been made on adhoc basis in the absence of actuarial valuation which is being undertaken by the Company. The Company also proposes to create a Trust for the employees to implement the gratuity scheme expected to be completed within next year. Moreover, there are very few employees who have completed 5 years of service with the Company thereby reducing the total retirement benefit liabilities and the provisions made are adequate.
- b) ARSS- HCIL- Adhikaria, an international JV, a partner of the Company, who prepare their accounts in a different basis for a different period than our Company. As their accounts are not yet finalized, the profit from the JV has been considered on provisional basis. This is beyond the control of the management and the Company does not except any material deviations in the audited accounts.

7. DIVIDEND

Your Directors have recommend a dividend of 10% on Equity Shares. The outgo on account of the dividend will be Rs. 125.54 Lacs and dividend distribution tax will be Rs. 21.35 Lacs, aggregating to Rs. 146.89 Lacs. The dividend is tax free in the hands of the share holders as the tax on dividend would be borne by the Company.

8. DIRECTORS

Pursuant to Section 256 of the Companies Act, 1956 read with the clause 129 of the Articles of Association of the Company, Mr. S.S. Chakraborty and Mr. Dipak Kumar Dey retire by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment.

Brief resumes of the Directors proposed to be reappointed, nature of their experience and names of the companies in which they hold directorship and membership are provided in the Notice for convening the Annual General Meeting.

9. PARTICULARS OF EMPLOYEES

During the financial year 2008-09, there were three employees in the Company drawing a gross remuneration in excess of the limit prescribed as per Section-217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975. Details of which are given below;

Sl No	Name of the person	Age in years	Designation	Gross Remuneration (Rs.)	Experience (No of years)	Date of commencement of employment
1.	Mr. Subash Agarwal	44	Executive Chairman	60,00,000	18	05/11/2007
2.	Mr. Rajesh Agarwal	36	Managing Director	32,80,000	13	01/10/2006
3.	Mr. B.L. Bisnoi	46	Project Head	24,00,000	22	01/10/2008

10. RESPONSIBILITY STATEMENT

In pursuance of Section 217 (2AA) of the Companies Act, 1956, the Directors make the following responsibility statements:

- that in the preparation of Annual Accounts, the applicable Accounting Standards issued by The Institute of Chartered Accountants of India have been followed by the Company along with proper explanation relating to material deviations (if any).
- that the Directors have selected such Accounting Policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year 2008-2009 and of the profit of the Company for that period,
- that the Directors have taken proper and sufficient care for 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 frauds and other irregularities and
- that the Directors have prepared the Annual Accounts on a going concern basis.

11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS and OUTGO ETC. U/S 217 (1) (e)

During the year under review, the Company has taken adequate measures for conservation of energy and also has not absorbed any technology absorption whatsoever in accordance with the provisions of Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosures of particulars in the Report of Board of Directors) Rules, 1988.

The Company has neither earned nor incurred any expenditure in foreign currency during the year ended 31st March'2009.

12. PUBLIC DEPOSITS

Your Company has not invited any deposits from public and Shareholders. So, the provisions of the Section 58A of the Companies Act, 1956 are not attracted.

13. CORPORATE GOVERNANCE

Your Company has voluntarily adopted the requirement of corporate governance as prescribed under clause 49 of the Listing Agreement even though it is not applicable to the Company and a separate section titled "Corporate



Governance" has been included in the Annual Report along with Management Discussion and Analysis Report and Shareholders' Information report.

14. INDUSTRIAL RELATION

Employee relations continued to be cordial throughout the year. The whole-hearted support of employees and a sense of belongingness with the organization and solidarity with the management of the Company have been able to achieve better performance during the year.

15. ACKNOWLEDGEMENT

The Board of Directors acknowledge with deep appreciation the co-operation received from the Govt. of Orissa particularly the Ministry of Works, Govt. of India and Ministry of Railways. We are also highly appreciative of the support rendered by our bankers, employees and all business associates of the Company. Your Directors also thankfully acknowledge the faith reposed by all the investors, in respect of which the contribution by State Bank of India deserves a special mention.

The Board wishes to place on records its appreciations for efforts and contributions made by the employees at all level, which made the significant achievement by your Company possible.

For and on behalf of the Board of Directors

Place: Bhubaneswar
Dated: The 8th day of May, 2009

(Subash Agarwal)
Chairman

REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS

1. Industry Structure and Development

The year 2008-09 was an eventful one. The ongoing sub-prime crisis, which was initially restricted to banks, have affected the global economy on a later stage. Though it led to an unprecedented co-ordinated global government intervention to save the economy by taking corrective steps and release of credit to the industry as a whole, the steps were not able to prevent the crisis from hitting the main street resulting in a major fall in oil, commodity and real estate prices as recession hit the developed countries.

The Indian economy was not immune to the global turmoil. Economic activity in India slowed down during 2008-09 as compared with over 9.0 per cent growth in the previous three years. The financial crisis hit the stock market and the real estate sector as FII's withdrew their holdings in the stock market, while the developers faced cash crunch as the housing prices headed downwards. As the economy slowed down, the Indian banks also restricted their lending activities. The run-away inflation in the 1st half of the year led RBI to increase the interest rates, thus increasing borrowing costs. The falling commodity prices and slowing demand affected the inflation, which fell to multi-year lows in the 2nd half of the year 2008-09. Thus, a combination of global and domestic macro factors led to a fall in GDP growth, which as per RBI estimates would be below 7% for the year.

Your Company is engaged in construction activities in India and undertakes construction of railway infrastructure, roads, highways, bridges and irrigation projects which is totally different from real estate and related financial system. Infrastructure sector is expected to grow atleast at the same rate as that of last year because without which industry cannot sustain. Your Company, being in infrastructure industry, consisting of railway and road infrastructure development is some how immune to the ongoing economic slowdown.

Your Company has developed expertise in construction of earthwork, major and minor bridges, supply of ballast, sleepers, laying of sleepers and rails, linking of tracks etc. which will not be affected due to the slowdown and expected to maintain its status as a major infrastructure player in eastern India.

2. Opportunities and threats risks and concerns

The global financial crisis hit the Indian infrastructure sector as well in the year 2008-09. The six core infrastructure industries viz. Crude oil, petroleum refinery products, coal, electricity, cement and finished (carbon) steel grew at 2.7% in the year 2008-09 compared to 5.9% in the previous fiscal year. The fall was on back of slower GDP growth as the companies restricted their business and capital spending activities. Although the infrastructure companies had large order books, the global meltdown affected their ability to raise funds to finance the infrastructure projects. Particularly, the working capital funding was hit hard as banks failed to stick to their commitments, while the fall in the equity markets prevented the companies from raising funds through the equity route. Other problems faced by the sector was a runaway hike in input prices in the 1st half of the year although with the falling commodity prices in the 2nd half, this issue was partly resolved. The

infrastructure projects, especially government backed projects faced cost over-run and execution delay of 6-12 months.

Like all major players in infrastructure industry, the stringent financing norms introduced by the banks and the FIs in response to the recent global meltdown, have come up as a major constraint in acquiring funds. Moreover, due to subdued market condition, our Company could not enter capital market for its IPO, thereby facing constraint on financing pattern of the Company. However, our Company could manage its resources out of limited borrowing and internal accrual as well.

Even though the infrastructure growth has slowed down, it is expected to pick up towards the end of this fiscal year. Indian infrastructure industry is not fully dependant on global economy and with about 90% of India's infrastructure investment being funded from domestic sources, the current global financial down turn is unlikely to hit the Indian investment, which are in pipe line.

Our business requires a substantial amount of working capital. In many cases, working capital is required to finance the purchase of materials and execution of construction and other work on projects before payment is received from clients. In certain cases, we are contractually committed to our clients to fund working capital on our projects. Our working capital requirements may increase if, in certain contracts, payment terms do not provide for advance payments to us or if payment schedules are less favorable to us. We may need to borrow additional funds in the future to fulfill our working capital needs. Continued increases in working capital requirements may have an adverse effect on our financial condition and results of operations.

3. Outlook

Although infrastructure growth is down for now, it is expected to pick up once the current global scare settles down. India's infrastructure investments being funded from domestic sources, the current global financial sector turmoil is unlikely to hit the investments, which are in pipeline. According to estimates by rating agency CRISIL, eight sectors like oil and gas, power, roads, ports, airports, railways, urban infrastructure and telecom - together are expected to draw huge investment in the years to come.

Construction projects are typically awarded to bidders with required eligibility criteria based on past experience and performance. Our Company is competent enough to carry out all type of infrastructure related contracts on our own or if required in joint venture with other major players. We are capable of executing any type of infrastructure projects in the coming years to come as we have developed all related facilities for execution of such contracts. Your Company has entered into joint ventures with national and international players such as PT Adhikarya (Persero), Harish Chandra (India) Limited, Triveni Engicons Private Limited, RITES, Kalindee Rail Nirman (Engineers) Limited, Patel Engineering Ltd, Rohit Kumar Das Construction Private Limited, Backbone Enterprises Ltd. and Atlanta Ltd.

Major clients of your Company include Ministry of Railways, State Government of Orissa, Rail Vikas Nigam Limited, RITES Limited, IRCON International Limited, National Thermal Power Corporation, Hindustan Steel Corporation Limited, PWD - Orissa, IOCL and National Highway Authority of India.



4. Review of Operation

The Financial statements have been prepared in compliance with requirements of the Companies Act, 1956 and the applicable accounting standards issued by The Institute of Chartered Accountants of India.

The abridged profit and Loss statement for the financial year ended 31st March, 2009 is as follows.

(Rs. In Crore)

	2008-2009	2007-2008	%change
Net Sales	624.38	313.67	99%
Other Income	3.87	2.92	33%
Profit before interest, Depreciation & Tax	104.96	51.21	105%
Depreciation	7.35	3.95	86%
Provision for Tax	19.48	10.48	86%
Profit after Tax	50.09	27.10	85%
Earning per share(in Rs.)	39.90	23.77	68%

5. Internal control system and efficiency

The Company has put in place a system of internal controls and all pre cautionary measures, which are supplemented by a regular internal audit procedure commensurate with the size of its business and nature of its operations. The Audit Committee of the Board meets at regular intervals and actively reviews the internal control systems which are reflected in the internal audit reports. Suitable corrective actions are initiated, whenever necessary.

6. Management Development in HR

Your Company has a well qualified and experienced team of professionals with a dedicated human resource department, which is competent to deliver at the time of need. Labour relations at all work sides and head quarter of the Company continued to remain cordial throughout the year. There was no industrial dispute during the year under review.

7. Cautionary Statement

The statements in report of the Board of Directors and the Management Discussion and Analysis Report describe the Company's outlook, estimates, performance or predictions with a forward perspective considering the applicable business and economic regulations affecting the industry. Actual results could differ from those expressed or implied, since, the Company's operations are influenced by many external and internal factors beyond the control of the Management. The Management takes no responsibility for keeping the members updated on changes in these factors stated above apart from those, which may be statutorily required to be reported from time to time.

For and on behalf of the Board of Directors

Place: Bhubaneswar
Dated: The 8th day of May, 2009

(Subash Agarwal)
Chairman

CORPORATE GOVERNANCE

I. Company's philosophy on code of Corporate Governance

Corporate Governance, a requirement under clause 49 of the listing agreement is applicable only to listed Companies. The Company voluntarily adopted the practice of corporate governance in order to practice the virtues of adequate disclosures, transparency and accountability even though it is not mandatory at present. The Company's philosophy on corporate governance is to attain the highest levels of transparency, accountability and responsibility in all operations, disclosures and interactions with its shareholders, investors, lenders, employees and Government. The Company believes that all its operations and actions must serve the goal of enhancing overall Stakeholders value over a sustained period of time.

II. Board of Directors

a) Composition

The Board of Directors presently comprises four Whole Time Directors and four Independent Directors having vast experience in corporate governance with them. The status of Directors and Board Meetings are as follows:

Directors	Executive/ Non-Executive Independent	No. of Outside Directorships Held		Outside Committee Positions Held	
		Public	Private	Member	Chairman
Mr. Subash Agarwal	Executive	1	1		
Mr. Rajesh Agarwal	Executive		1		
Mr. Soumendra Keshari Pattanaik	Executive				
Mr. Sudhendu Sekhar Chakraborty	Executive				
Dr. Bidhubhusan Samal	Independent	11	1	2	3
Mr. Dipak Kumar Dey	Independent				
Mr. Swarup Chandra Parija	Independent	1			
Mr. Sujit Ranjan Chaudhuri	Independent				

b) Meeting and attendance

During the year 2008-2009 Six Board Meetings took place on the following dates[05-05-2008,16-06-2008, 20-08-2008, 08-12-2008, 04-02-2009, 02-03-2009]

Attendance of Directors at Board Meeting held is provided here in below:

Name of the Director	No. of Board Meeting Attended
Mr. Subash Agarwal	6
Mr. Rajesh Agarwal	6
Mr.Soumendra Keshari Pattanaik	6
Mr. Sudhendu Sekhar Chakraborty	6
Dr. Bidhubhusan Samal	6
Mr. Dipak Kumar Dey	6
Mr. Swarup Chandra Parija	6
Mr. Sujit Ranjan Chaudhuri	6

III. Audit Committee

The Board constituted an Audit Committee on 27th Nov'2007 in terms of Section 292-A of the Companies Act, 1956. The Committee consists of 3 Directors and all are non-executive Independent Directors. The role and terms of the reference of the Audit Committee cover the areas mentioned under clause 49 of the Listing Agreement read with Section 292A of the Companies Act, 1956 besides other terms as referred to by the Board of Directors from time to time.

During the year 2008-09 four Audit Committee Meetings took place. The composition of Audit Committee of the Board and the attendance of the members is given below :

Name of the Director	No. of Meetings	
	Held	Attended
Mr. Swarup Chandra Parija (Chairman)	4	4
Dr. Bidhubhusan Samal	4	4
Mr. Sujit Ranjan Chaudhuri	4	4

The Company Secretary and Compliance Officer, Mr. Bibhuti Bhusan Sahoo is the Secretary of the said Committee

IV. Shareholders Grievance Committee

The Company has constituted a Shareholders' Grievance Committee. The constitution of the aforesaid Committee was approved by a meeting of the Board of Directors held on November 27, 2007. The Committee consists of 3 members:

- i. Dr. Bidhubhusan Samal (Chairman)
- ii. Mr. Sujit Ranjan Chaudhuri
- iii. Mr. Dipak Kumar Dey

The Company Secretary and Compliance Officer, Mr. Bibhuti Bhusan Sahoo is the Secretary of the said Committee.

V. Remuneration Committee

The Company has not constituted any Remuneration Committee as provided in clause 49 of the Listing agreement which is yet to be applicable to the Company. But the Company has active proposal to constitute such committee within a short period of time. Sitting Fees and Remuneration paid to the directors are as follows :

Remuneration paid to Executive Directors

(In Rs.)

Name	Position	Salary	Commission	Total
Mr. Subash Agarwal	Chairman	60,00,000/-	-	60,00,000/-
Mr. Rajesh Agarwal	Managing Director	32,80,000/-	-	32,80,000/-
Mr. S.K.Pattanaik	Director (F)	12,00,000/-	-	12,00,000/-
Mr. S.S.Chakraborty	Director (T)	15,00,000/-	-	15,00,000/-

Sitting fees paid to Non-Executive Directors for attending Board/Board Committee Meeting during the financial year are as follows :

Dr. Bidhubhusan Samal	Rs. 1,22,000/-
Mr. Dipak Kumar Dey	Rs. 1,00,000/-
Mr. Swarup Chandra Parjja	Rs. 1,22,000/-
Mr. Sujit Ranjan Chaudhuri	Rs. 1,22,000/-

VI. Code of Conduct

The Board has adopted a code of conduct for all Board Members and designated senior management officials of the Company. All Board Members and senior management personnels have affirmed compliance with the code of conduct. A declaration signed by the Managing Director to this effect is enclosed at the end of this report.

VII. Annual General Meetings

The Last three Annual General Meeting were held at the registered office of the Company as under:

Year	Location	Date	Time
2006	Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar - 751010.	27-09-2006	11.30 A.M
2007	Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar - 751010.	27-09-2007	11.30 A.M
2008	Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar - 751010.	16-06-2008	11.30 A.M

No special resolution was adopted through postal ballot.

VIII. Disclosures

Related Party Disclosure: Transactions of the company of material nature, with its promoters, directors, management or relative etc. that may have potential conflict with the interest of the Company. Details are provided in the notes forming parts of accounts.

IX. Means of Communication

a) Management Discussion and Analysis Report forms part of the report of the Directors.

X. General Information for Shareholders

- | | |
|---|--|
| Date, Time and Venue of the Annual General Meeting of the Company | Monday, 20 th July, 2009 at 11.30 a.m. at Registered Office of the Company at Plot No -38, Sector - A, Zone -D, Mancheswar Industrial Estate, Bhubaneswar-751010, Orissa. |
|---|--|
- Financial Calendar 2009-2010

Board Meeting to be taken on Record Un-audited Provisional Financial Results.

For the Quarter ending 30-06-2009	Last week of July, 2009
For the Quarter ending 30-09-2009	Last week of October, 2009
For the Quarter ending 31-12-2009	Last week of January, 2010
For the Quarter ending 31-03-2010	Last week of April, 2010
- | | |
|----------|---|
| Dividend | The Directors recommended a dividend of 10% on Equity Shares. The outgo on account of the dividend will be Rs. 146.89 Lacs. |
|----------|---|
- Dematerialisation of Shares

The Company's Shares are available for dematerialisation on both the Depositories viz. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Limited (CDSL), for which purpose the Company has entered into Agreements with the respective Institutions.



5. Registrar and Share Transfer Agents

Bigshare Services Private Limited

E/2, Ansa Industrial Estate, Sakivihar Road, Sakinaka,
Andheri (E), Mumbai - 400 072

Tel: + 91-22-2847 0652, 4043 0200, Fax: + 91-22-2847 5207

Website: www.bigshareonline.com, E-mail: edp@bigshareonline.com

6. Shareholding Pattern as on 31st March, 2009

Sl. No.	Category	No. of Shares	Percentage of Shareholding (%)
1.	Promoters	81,99,950	65.32
2.	Banks Financial Institutions and Insurance Companies.	10,00,000	7.97
3.	Mutual Fund	Nil	Nil
4.	Private Corporate Bodies (Excluding of Promoters)	20,89,500	16.64
5.	Indian Public	12,64,550	10.07
6.	NRIs/OCBs	Nil	Nil
7.	GRDs	Nil	Nil
	Total	1,25,54,000	100.00

7. Distribution of shareholding as on 31st March, 2009

Range	Number of Shareholders	% to Total	Total Shares	% to Total
Up to 500	4	5.26	2,000	0.02
501-1000	4	5.26	4,000	0.03
1001- 2000	5	6.58	8,100	0.05
2001-3000	6	7.89	16,950	0.14
3001-4000	0	0	0	0
4001-5000	3	3.95	15,000	0.12
5001-10000	7	9.21	60,000	0.48
10001 and above	47	61.85	1,24,47,950	99.16
Total	76	100.00	1,25,54,000	100.00

ADDRESS FOR CORRESPONDENCE

The shareholders may address their communications/suggestions/grievances/queries to:

The Company Secretary & Compliance Officer
ARSS Infrastructure Projects Ltd.
Sector-A, Zone-D, Plot No. 38, Mancheswar Industrial Estate,
Bhubaneswar-751010 (ORISSA)
Tel: (0674) 2588552, 2588554, FAX: (0674) 2585074
E-mail: bbs@arssgroup.in

For and on behalf of the Board of Directors

Place: Bhubaneswar
Dated: The 8th day of May, 2009

(Subash Agarwal)
Chairman

To

The Board of Directors
ARSS Infrastructure Projects Ltd.
Regd. Office: Sector-A, Zone-D, Plot No. 38
Mancheswar Industrial Estate,
Bhubaneswar - 751010
Orissa

Dear Sirs,

I do hereby certify that the all Members of the Board of Directors of the Company and the Senior Management Personnel have affirmed their compliance with the code of conduct laid down by the Board of Directors of the Company in their Meeting held on 4th January, 2008.

This certificate is being given in compliance with the requirements of Clause 49(i) (D) (ii) of the Listing Agreement to be entered into with the Stock Exchanges.

Place: Bhubaneswar
Dated: The 8th day of May, 2009

(Rajesh Agarwal)
Managing Director



To

The Board of Directors
ARSS Infrastructure Projects Ltd.
Regd. Office: Sector-A, Zone-D, Plot No. 38
Mancheswar Industrial Estate,
Bhubaneswar - 751010
Orissa

Dear Sirs,

1. We have reviewed the Balance Sheet, Profit and Loss account and all its Schedules and Notes on Accounts, as well as the Cash Flow Statements as at 31st March, 2009 and certify that to the best of our knowledge and belief:
 - i) These Statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading.
 - ii) These Statements read together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
2. We further certify that, to the best of our knowledge and belief, no transactions have been entered into by the Company during the year which are fraudulent, illegal or in violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the Audit committee, deficiencies in the design or operation of internal controls, in any, of which we are aware and the steps we have take or propose to take to rectify these deficiencies;
4. We have indicated to the Auditors and the Audit committee;
 - i) Significant changes in internal control during the year;
 - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems.

Place: Bhubaneswar
Dated: The 8th day of May, 2009

(S.K.Pattanaik)
Director Finance

(Rajesh Agarwal)
Managing Director



Railway Projects



AUDITOR'S REPORT

To

The Members

ARSS Infrastructure Projects Ltd

Bhubaneswar

1. We have audited the attached Balance Sheet of ARSS Infrastructure Projects Limited, as at 31st March'2009, the Profit and Loss Account and also 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure I referred to in paragraph 3 above, we report that:
 - 4.1 We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - 4.2
 - a) *Provision of Rs. 14.00 lacs on account of retirement gratuity has been made on an adhoc basis, without ascertaining the actual liability through actuarial valuation which is not in accordance with Accounting Standard - 15, "Employee Benefits" issued by The Institute of Chartered Accountants of India.*
 - b) *Profit from HCIL-Adhikaria- ARSSPL JV has been considered on the basis of Provisional Accounts as on 31.03.2009 instead of audited accounts, which is not in accordance with Accounting Standard - 27, "Financial Reporting of Interests in Joint Ventures" issued by The Institute of Chartered Accountants of India.*
 - 4.3 In our opinion, the Company has kept proper books of accounts as required by law so far as appears from our examination of those books.

- 4.4 The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report, are in agreement with the books of account.
- 4.5 In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement have been drawn up in accordance with Accounting Standards (AS) referred to in Sub- section (3C) of Section 211 of the Companies Act, 1956 except as stated in Para - 4.2 above.
- 4.6 According to the information and explanations given to us and on the basis of written representations received from the company, we report that none of the Directors are disqualified as on 31.03.2009 from being appointed as a director in terms of clause (g), sub section (i) of section 274 of the Companies Act, 1956.
- 4.7 In our opinion and to the best of our information and according to the explanations given to us, the said accounts, subject to the observations in para 4.2 above regarding non ascertainment of actual gratuity liability and consideration of provisional profit and investment in Joint Venture, give the information required by the Companies Act, 1956 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 Balance Sheet of the state of affairs of company as at 31st March, 2009.
 - ii. In the case of Profit and Loss Account of the Profit of the Company for the year ended on that date and.
 - iii. In the case of Cash Flow Statement of the Cash Flows for the year ended on that date.

For P.A. & ASSOCIATES
Chartered Accountants

(CA. P. S. Panda)
Partner
M. No.: 51092

Place: Bhubaneswar
Dated: The 8th day of May, 2009



ANNEXURE TO AUDITOR'S REPORT

(Referred to in Para 1 of the said report of even date)

1. In respect of Its Fixed Assets

- a) The company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- b) According to the information and explanations given to us, the fixed assets were physically verified by the management in accordance with the programme of verification, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed on physical verification were not material and have been properly dealt with in the books of account.
- c) In our opinion the Company has not disposed off a substantial part of its 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 have been physically verified by the management at the end of the year. In our opinion, the frequency of verification is reasonable having regard to the size of the company and nature of its business.
- b) The procedures of physical verification of inventories followed by the management in our opinion are reasonable and adequate in relation to the size of the company and the nature of its business.
- c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.

3. a) According to the information and explanations given to us, the company has not granted any loan to parties covered in the register maintained under section 301 of the Act.

- b) In view of our comments in paragraph 3(a) above, provisions of clauses 3(b), (c), (d) are not applicable.
- c) The company had taken loans from companies covered in the register maintained U/S 301 of the Act. The maximum amount involved during the year is Rs 548 lacs and the balance at the end of the year of loan taken from such parties were NIL.
- d) The rate of interest and other terms and conditions of the loan taken by the company, were not prima facie prejudicial to the interest of the company.
- e) The company has repaid the loan during the year as stipulated in the terms & conditions of the loan.

4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of

inventory and fixed assets and also with the regard to 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 control system.

5. According to the information & explanation given to us, we are of the opinion that the particulars of the contracts or arrangements that need to be entered in the register maintained U/S 301 of the Companies Act, 1956 have been so entered.
6. In our opinion and according to the information and explanations given to us, each such transaction have been made at prices which are reasonable having regard to the prevailing market price at the relevant time.
7. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from public within the meaning of section 58A and 58AA or any other provisions of the Act and rules framed there under.
8. In our opinion and according to the information and explanation given to us, the company has an internal audit system commensurate with the size of company and the nature of its business.
9. To the best of our knowledge the Central Government has not prescribed the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 for any of the products of the Company.
10. According to the information and explanations given to us the company is generally regular in deposit of undisputed statutory dues including Provident Fund, Income Tax, VAT and Service Tax.
11. According to the information and explanation given to us, in our opinion, no undisputed amount payable in respect of the aforesaid dues were outstanding as at 31st March, 2009 for a period of more than six months from the date they became payable.
12. According to the information & explanation given to us and on basis of the records of the company examined by us, the particulars of sales tax as at 31st March, 2009 which have not been deposited on account of pending disputes are as under.

Period to which the dispute relates	Name of the statute	Amount demanded (In Rs.)	Forum where dispute is pending
2000-01	Orissa Sales Tax Act	2,61,428	Appellate Tribunal
2004-05	Orissa Sales Tax Act	49,49,913	Appellate Tribunal
2000-01	Orissa Sales Tax Act	15,51,772	Commissioner of Commercial Taxes
2001-02	Orissa Sales Tax Act	8,01,687	Commissioner of Commercial Taxes
2002-03	Orissa Sales Tax Act	8,32,706	Commissioner of Commercial Taxes

13. The company has no accumulated losses as at 31st march 2009 and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.



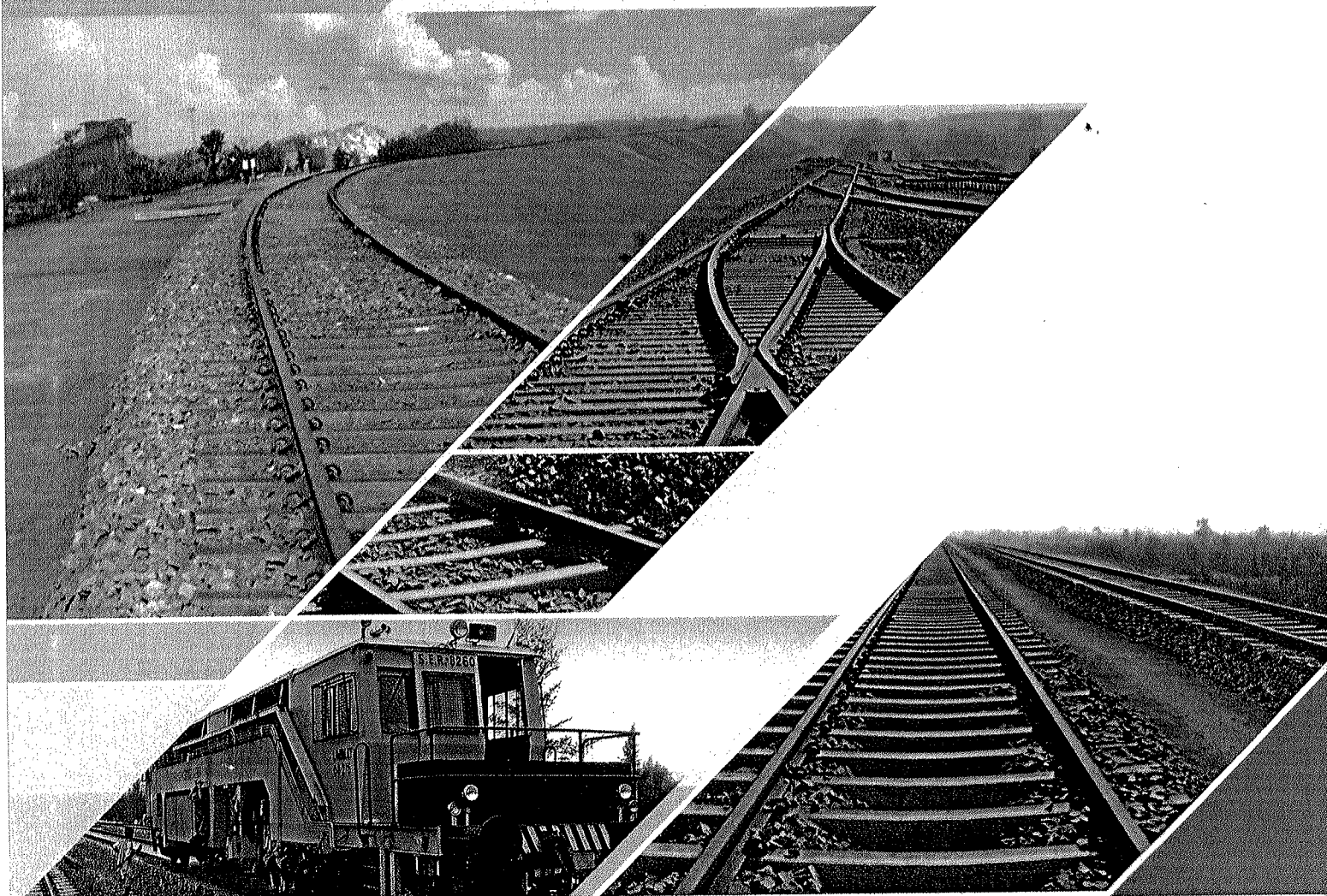
14. In our opinion and based on the information and explanations given to us the company has not defaulted in repayment of dues to financial institutions or banks.
15. According to the information and explanations given to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
16. In our opinion, the company is not a chit fund or nidhi/mutual benefit fund/society.
17. As explained to us and on the basis of information given to us, the company is not dealing in shares, securities, debentures and other investments.
18. In our opinion and according to the information and explanations given to us , the terms and conditions of guarantees given by the company for loans taken by others from banks are not prima facie prejudicial to the interest of the company.
19. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were obtained.
20. According to the information and explanations given to us and on an overall examination of the books of accounts of the company, we are of the opinion that no funds raised on short-term basis have been utilized for long term purposes.
21. According to the information and explanations given to us, during the year, the company has not made any preferential allotments of shares to parties covered in the register maintained under section 301 of the Act.
22. During the period covered by our audit report, the Company has not issued any debentures.
23. The Company has not raised any money during the year through the public issue.
24. To the best of our knowledge and belief and according to the information and explanation given to us, no material fraud on or by the company has been noticed or reported during the course of our audit.

For P.A. & ASSOCIATES
Chartered Accountants

(CA. P. S. Panda)
Partner
M. No.: 51092

Place: Bhubaneswar
Dated: The 8th day of May, 2009

Railway Track Linking





Balance Sheet as at 31st March, 2009

	Schedule	As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees
I. SOURCES OF FUNDS			
1. Shareholders' Funds			
a) Share Capital	1	125,540,000	125,540,000
b) Reserves and Surplus	2	1,357,973,976	871,796,456
2. Loan Funds			
a) Secured Loans	3	2,182,193,801	975,277,469
b) Unsecured Loans	4	41,061,473	10,000,000
3. Deferred Tax Liability	5	63,626,322	26,449,497
Total		3,770,395,572	2,009,063,422
II. APPLICATION OF FUNDS			
1. Fixed Assets			
a) Gross Block	6	1,611,368,335	864,347,716
b) Less: Depreciation		159,993,169	86,825,072
c) Net Block		1,451,375,167	777,522,644
Building WIP		14,828,043	-
2. Investments	7	38,212,921	25,436,921
3. Current Assets, Loans and Advances			
a) Inventories	8	1,882,704,940	622,103,160
b) Sundry Debtors	9	428,533,465	653,574,370
c) Cash & Bank Balances	10	717,214,943	373,999,265
d) Loans & Advances	11	557,410,278	506,967,157
		3,585,863,626	2,156,643,952
4. Current Liabilities and Provisions			
a) Current Liabilities	12	1,147,928,613	858,935,086
b) Provisions	13	172,295,569	92,135,009
		1,320,224,183	951,070,095
5. Net Current Assets (3-4)		2,265,639,443	1,205,573,857
6. Miscellaneous Expenditure (To the extent not written off or adjusted)	14	340,000	530,000
		3,770,395,572	2,009,063,422
7. Significant Accounting policies and notes to accounts	20		

The schedules referred to above form an integral part of the balance sheet

As per our separate report of even date

For and on behalf of the Board

For P.A. & Associates
Chartered Accountants

(CA P.S. Panda)
Partner
M. No. 51092

Place: Bhubaneswar
Dated: The 8th day of May, 2009

(B.B.Sahoo)
Company Secretary

(S.K. Pattanaik)
Director Finance

(Rajesh Agarwal)
Managing Director

Profit and Loss Account for the year ended 31st March, 2009

	Schedule	As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees
1. Income			
Contract Revenue		6,243,752,255	3,136,709,419
Other Income		38,660,829	29,233,380
		<u>6,282,413,084</u>	<u>3,165,942,799</u>
2. Expenditure			
Direct Contract expenses	15	4,892,335,677	2,530,581,376
Personnel Expenses	16	140,461,371	29,828,204
Administrative Expenses	17	97,277,799	50,703,745
Selling Expenses	18	102,739,612	42,761,762
Interest & Financial Charges	19	270,174,025	94,163,206
Depreciation		73,487,946	39,501,406
		<u>5,576,476,430</u>	<u>2,787,539,699</u>
3. Profit Before Tax		<u>705,936,654</u>	<u>378,403,100</u>
4. Less: Tax Expenses			
Current Income Tax		154,925,326	90,860,620
Deferred Tax		37,176,825	12,630,909
Fringe Benefit Tax		2,682,692	1,274,389
Income tax for earlier years		10,286,739	2,658,184
5. Profit After Tax		<u>500,865,072</u>	<u>270,978,998</u>
6. Balance brought forward from Previous year		<u>402,284,456</u>	<u>149,131,512</u>
7. Amount Available for Appropriation		<u>903,149,528</u>	<u>420,110,510</u>
8. Appropriations			
Proposed Dividend		12,554,000	12,554,000
Tax on Dividend		2,133,552	2,133,552
Transfer to General Reserve		25,043,254	3,138,500
9. Profit Carried Forward		<u>863,418,723</u>	<u>402,284,458</u>
10. Earnings Per Share (Face value Rs. 10 each)			
Basic		39.90	23.77
Diluted		39.90	23.77
11. Significant Accounting policies and Notes to accounts	20		

The schedules referred to above form an integral part of the Profit & Loss Account

As per our separate report of even date

For and on behalf of the Board

For P.A. & Associates
Chartered Accountants

(CA P.S. Panda)
Partner
M. No. 51092

Place: Bhubaneswar
Dated: The 8th day of May, 2009

(B.B.Sahoo)
Company Secretary

(S.K. Pattanaik)
Director Finance

(Rajesh Agarwal)
Managing Director



Cash Flow Statement for the year ended 31st March, 2009

	As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation & execeptional items	705,936,654	378,403,100
Add: Adjustments for:		
Depreciation	73,168,097	39,501,406
Interest paid	270,174,025	94,163,206
Preliminary Exp. W/o	190,000	198,100
Operating profit before working capital change	1,049,468,775	512,265,812
Add: Adjustments for:		
Trade & other receivables	174,597,784	(809,420,714)
Inventories	(1,260,601,780)	(548,804,325)
Trade payable & other liabilities	288,993,527	753,171,256
Cash generation from operation	252,458,307	(92,787,971)
Income Tax & Fringe Benefit Tax	102,421,748	40,053,334
Net cash from operating activities	150,036,559	(132,841,305)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(763,718,111)	(549,202,034)
Sale of Fixed Assets	1,869,448	0
Preliminary expenditure	0	(250,000)
Investment	(12,776,000)	(7,180,720)
Net cash from Investing Activities	(774,624,663)	(556,632,754)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Share Capital & Premium	0	447,153,000
Dividend Paid	0	(12,554,000)
Interest Paid	(270,174,025)	(94,163,206)
Unsecured Loan accepted	31,061,473	10,000,000
Borrowings Availled including	1,206,916,332	596,611,742
Repayment of Borrowings		
Net cash from Financing Activities	967,803,779	947,047,536
D. INCREASE / DECREASE IN CASH AND CASH EQUIVALENT	343,215,675	257,573,477
E. CASH AND CASH EQUIVALENT AS AT BEGINNING	373,999,268	116,425,791
F. CASH AND CASH EQUIVALENT AS AT CLOSING	717,214,943	373,999,268

As per our separate report of even date

For and on behalf of the Board

For P.A. & Associates
Chartered Accountants

(CA P.S. Panda)
Partner
M. No. 51092

Place: Bhu baneswar
Dated: The 8th day of May, 2009

(B.B.Sahoo)
Company Secretary

(S.K. Pattanaik)
Director Finance

(Rajesh Agarwal)
Managing Director

Schedule to Balance Sheet & Profit & Loss Account

	As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees
SCHEDULE 1: SHARE CAPITAL		
Authorised: 2,00,00,000 equity shares of Rs. 10/- each	200,000,000	200,000,000
Issued, Subscribed & Paid up 1,25,54,000 equity shares of Rs. 10/- each fully paid up in cash	125,540,000	125,540,000
	125,540,000	125,540,000
SCHEDULE 2: RESERVE AND SURPLUS		
Share Premium Account	466,373,500	466,373,500
General reserve	28,181,754	3,138,500
Profit & Loss Account	863,418,723	402,284,456
	1,357,973,976	871,796,456
SCHEDULE -3 : SECURED LOANS		
Term Loan	499,383,576	247,651,970
Working Capital Loan	1,390,672,703	483,320,993
The above loans are secured by way of mortgage of Land & Building and hypothecation of Plant & Machinery, stock & book debts.		
Loan from NBFCs	292,137,522	244,304,506
Against hypothecation of fixed assets acquired out of the Loan		
	2,182,193,801	975,277,469
SCHEDULE - 4 : UNSECURED LOAN		
From Banks	1,882,900	-
From Others	39,178,573	10,000,000
	41,061,473	10,000,000
SCHEDULE - 5 : DEFERRED TAX LIABILITY		
Deferred Tax Liability		
Opening Balance	26,449,497	13,818,588
Add : addition during the year	37,176,825	12,630,909
	63,626,322	26,449,497

SCHEDULE 6: FIXED ASSETS

Sl. No.	Particulars	GROSS BLOCK				DEPRECIATION	NET BLOCK	
		As at 1st April 2008 Rupees	Addition during the Period Rupees	Deletion during the Period Rupees	As at 31st March 2009 Rupees	As at 31st March 2009 Rupees	As at 31st March 2009 Rupees	As at 31st March 2008 Rupees
1.	Land							
	a) Free Hold	59,854,029	-	-	59,854,029	-	59,854,029	59,854,029
	b) Lease Hold	3,978,325	-	-	3,978,325	-	3,978,325	3,978,325
2.	Building							
	a) Factory	298,976	-	-	298,976	86,426	212,550	222,536
	b) Non-Factory	11,606,372	-	-	11,606,372	263,311	11,343,061	11,532,245
3.	Plant & Machinery	725,097,830	691,877,884	1,330,701	1,415,645,013	1,44,296,751	1,271,348,262	644,703,693
4.	Furniture & Fixture	2,694,783	3,056,359	-	5,751,142	585,216	5,165,926	2,375,221
5.	Vehicles	57,467,689	48,346,473	538,747	105,275,415	13,162,286	92,113,129	52,144,429
6.	Computer	3,349,713	5,609,352	-	8,959,065	1,599,180	7,359,885	2,712,166
		864,347,716	748,890,068	1,869,448	1,611,368,336	159,993,169	1,451,375,168	777,522,645
	Previous Period	315,145,682	549,202,034	-	864,347,716	86,825,072	777,522,644	
	Building Wip		14,828,043		14,828,043			

SCHEDULE 7: INVESTMENT

(Unquoted at cost)

	As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees
NSC including interest accrued	3,042,130	2,826,810
In Capital of Joint Ventures	30,362,791	21,802,111
In ARSS Engineering Limited	808,000	808,000
In Reliable Smart City (P) Ltd.	4,000,000	-
	<u>38,212,921</u>	<u>25,436,921</u>

SCHEDULE 8: INVENTORIES

At cost being lower of N.R.V.

Raw Materials	255,489,710	10,008,237
Stores & Spares	33,454,120	11,448,623
Finished Goods	81,715,450	40,523,740

At completion contract method

Work in Progress	1,512,045,660	560,122,560
	<u>1,882,704,940</u>	<u>622,103,160</u>

SCHEDULE 9: SUNDRY DEBTORS

(Unsecured, considered good)

Outstanding for a period more than six months	19,899,544	98,183,508
Others	408,633,921	555,390,862
	<u>428,533,465</u>	<u>653,574,370</u>

SCHEDULE 10: CASH AND BANK BALANCES

Cash in hand (As certified by the management)

Balance with Schedule Banks	10,061,541	6,426,524
a. In Current Accounts	64,720,603	20,405,462
b. In Fixed Deposit Accounts	448,625,358	163,930,040
c. Interest Accrued on above	22,723,423	5,220,071
d. Cheques in Hand	171,084,018	178,017,168
	<u>717,214,943</u>	<u>373,999,265</u>

SCHEDULE 11: LOANS AND ADVANCES

(Unsecured considered good)

Advance Recoverable in cash or in kind for value to be received	557,410,278	506,967,157
	<u>557,410,278</u>	<u>506,967,157</u>

SCHEDULE 12: CURRENT LIABILITIES

Sundry Creditors	1,147,928,613	858,935,086
	<u>1,147,928,613</u>	<u>858,935,086</u>

SCHEDULE 13: PROVISIONS

	As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees
Provision for Taxation	154,925,326	90,860,620
Provision for Fringe Benefit Tax	2,682,692	1,274,389
Proposed Dividend	12,554,000	-
Tax on proposed Dividend	2,133,552	-
	<u>172,295,569</u>	<u>92,135,009</u>

SCHEDULE 14: MISCELLANEOUS EXPENDITURE
(to the extent not written off or adjusted)

Preliminary Expenses	340,000	530,000
	<u>340,000</u>	<u>530,000</u>

SCHEDULE 15: DIRECT EXPENSES

	For the year ended 31st March, 2009	For the year ended 31st March, 2008
Material purchase including subcontracting charges	5,435,086,560	2,720,649,312
Wages	130,638,624	116,641,082
Power & Fuel	322,983,661	126,778,106
Royalty	33,135,962	21,253,078
Repair & Maintenance (Plant & Vehicle)	148,471,146	57,034,879
Hire Charges	82,621,504	37,029,244
	<u>6,152,937,457</u>	<u>3,079,385,701</u>
Increase / (Decrease) in Stock		
Opening Stock	622,103,160	73,298,835
Closing Stock	1,882,704,940	622,103,160
	<u>4,892,335,677</u>	<u>2,530,581,376</u>

SCHEDULE 16: PERSONNEL EXPENSES

Salary, Wages & Bonus	140,461,371	29,828,204
	<u>140,461,371</u>	<u>29,828,204</u>

SCHEDULE 17: ADMINISTRATIVE EXPENSES

Insurance	6,466,006	6,409,080
Fuel & Lubricants	4,987,354	1,709,665
Repair & Maintenance (O)	949,296	1,074,166
Rent, Rates & Taxes	11,457,708	6,700,045
Managerial Remuneration	11,980,003	6,263,348
General Expenses	35,052,598	14,254,664
Telephone Expenses	6,451,645	2,858,907
Bad Debt written off	1,240,699	-
Travelling & Conveyance	15,764,566	9,945,112
Electricity Charges	1,824,955	988,758
Payment to Auditors		
As Audit Fees	1,103,000	500,000
	<u>97,277,799</u>	<u>50,703,745</u>

SCHEDULE 18: SELLING EXPENSES

	As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees
Business Promotion	2,432,600	897,470
Advertisement	1,844,827	1,073,580
Tender Document	2,282,244	1,185,080
Sales Tax / VAT	65,244,109	28,694,921
Service Tax	30,935,832	10,910,711
	<u>102,739,612</u>	<u>42,761,762</u>

SCHEDULE 19: INTEREST & FINANCIAL CHARGES

Bank Commission & Other Charges	30,381,061	20,663,513
Interest	239,792,964	73,499,693
	<u>270,174,025</u>	<u>94,163,206</u>

SCHEDULE - 20 : SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS**A. SIGNIFICANT ACCOUNTING POLICIES****1. Basis of Accounting**

The financial statements are prepared under the historical cost convention on accrual basis of accounting in accordance with generally accepted accounting principles[GAAP], accounting standards issued by the Institute of Chartered Accountants of India, as applicable and the relevant provisions of the Companies Act, 1956.

2. Fixed Assets

Fixed assets are stated at cost of acquisition inclusive of taxes, duties, freight and other incidental expenses related to acquisition and installation less accumulated depreciation.

Own manufacturing assets are capitalized at cost including an appropriate share of overhead.

3. Depreciation

Depreciation is provided on Straight Line Method at the rates specified in Schedule -XIV to the Companies Act, 1956.

Depreciation on addition / deletion during the year is provided on pro-rata basis with reference to the date of addition / deletion.

4. Borrowing Costs

Interest and other borrowing costs on specific borrowings attributable to qualifying assets are capitalized. Other interest and borrowing cost are charged to revenue.

5. Investments

Investments in integrated Joint ventures are carried at cost net of adjustments for the company's share in profits or losses as recognized.

6. Inventories

i) Raw Materials, Stores & Spares and Finished Goods

Raw Materials, construction materials and Finished Goods are valued at the lower of cost and net realizable value.

ii) Work in Progress

The work in process is valued as percentage of completion contract method as per Accounting Standard 7 on "Construction Contracts" issued by the Institute of Chartered Accountants of India.

7. Revenue Recognition

The company follows the percentage of completion method as per Accounting Standard - 7 on "Construction Contracts" issued by the Institute of Chartered Accountants of India to recognize revenue in respect of contracts executed. Contract revenue is accounted for on the basis of bills submitted to clients/bill certified by clients and does not include material supplied by the clients free of cost. Other revenue and expenses are accounted for on accrual basis.

8. Taxes on Income

Provision for current taxation is made on the taxable profits for the year in accordance with the Income Tax Laws applicable to the assessment year.

Deferred Tax is recognized subject to consideration of prudence on timing difference being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

9. Retirement Benefits

i) Short Term Employment Benefits

All employee benefits falling due wholly within twelve months of rendering the services are classified as short term employee benefits. The benefits like salaries, wages, short term compensated absence etc. and the expected cost of bonus is recognized in which the employee renders the related services.

ii) Post Employment Benefits

Defined contribution plan: Company has a defined contribution plan for Provident Fund and Employees State insurance and the Company's contribution thereto are charged to the Profit & Loss Account.

iii) Pending actuarial Valuation, the Company has estimated the gratuity liability on adhoc basis.

10. Contingent Liabilities and Contingent Assets

No provision is made for liabilities which are contingent in nature, unless it is probable that an asset has been impaired or a liability incurred as on the Balance Sheet date and a reasonable estimate of the resulting loss can be made. Details of contingent liabilities are given below:

Period to which the amount relates	Name of the statute	Amount (Rs. in lakhs)
2000-01	Orissa Sales Tax Act	2.61
2004-05	Orissa Sales Tax Act	49.50
2000-01	Orissa Sales Tax Act	15.52
2001-02	Orissa Sales Tax Act	8.02
2002-03	Orissa Sales Tax Act	8.33
2008-09	Orissa Electricity Act	47.22
2008-09	Corporate Guarantee	600.00
2008-09	Corporate Guarantee	260.00
2008-09	Bank Guarantee	23024.44
	Total	24015.64

Contingent Assets are not recognized in the financial statements.

11. Overdue Charges in Respect of Loans

Overdue charges if any levied by financial institutions / banks/NBFC are not considered during the currency of the loan. The same is considered as a financial expense in the year of final settlement of loan amount.

B. NOTES ON ACCOUNTS

- Materials are purchased indigenously.
- The company operates only in one segment, i.e. Civil Construction. Hence the company has no segment as defined in Accounting Standard -17 on "Segment Reporting" issued by the Institute of Chartered Accountants of India.
- The deferred tax liability comprise of the following:

(In Rs.)

Sl. No.	Particulars	As at 31st March, 2009	As at 31st March, 2008
a)	Deferred Tax Liability Relating to fixed assets	2,64,49,497	1,26,30,909
b)	Deferred Tax Asset Disallowance u/s 36(v) of the Income Tax Act, 1961	-	-
c)	Provision for deferred tax	6,36,26,322	2,64,49,497

4. During the year 2007-08, the company has issued 1,00,000 shares of Rs.10 each with a premium Rs.20 each other than cash to partners of M/S ARSS Engineering & Technology a partnership firm where in a director of the Company was a partner in consideration of a plot of land on which the corporate office of the Company has been constructed.
5. Earning Per Share (Equity of Rs.10 each)

Particulars	E P S	
	Basic Rs.	Diluted Rs.
NET PROFIT AFTER TAXATION	50,08,65,072	50,08,65,072
NUMBER OF EQUITY SHARES		
a. At the beginning of the period	1,25,54,000	1,25,54,000
b. Issued during the period	Nil	Nil
c. At the end of the period	Nil	Nil
d. Weighted Equity shares at the end of the period	1,25,54,000	1,25,54,000
BASIC / DILUTED EPS	39.90	39.90

6. Provision of Rs. 14.00 lacs on account of retirement gratuity has been made on adhoc basis pending actuarial valuation.
7. The company has not received any intimation from suppliers regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amount unpaid as at the year end together with interest paid/payable as required under the said act have not been given.
8. Other particulars required pursuant to para 4 of part II of Schedule - VI:

a. Foreign Currency Transactions

(Rs. in lacs)

Sl. No	Particulars	31.03.2009	31.03.2008
a)	Earnings in Foreign Currency	Nil	Nil
b)	Expenditure in Foreign Currency	Nil	Nil

b. Managerial Remuneration as per section 198 of the Companies Act, 1956.

(Rs. in lacs)

Particulars	31.03.2009	31.03.2008
Salaries	119.80	52.13
Commission	Nil	10.50

c. Computation of Net Profit in accordance with Section 349 of the Companies Act, 1956.

(Rs. in lacs)

Particulars	31.03.2009	31.03.2008
Profit before Taxation	7059.37	3784.03
Add: Managerial Remuneration	119.80	52.13
Profit for the year as per section 349	7179.17	3836.16

d. Depreciation is provided on Straight Line Method at the rates specified in schedule XIV of the Companies Act 1956. During the year, Rs. 734.88 lacs (Previous year Rs. 395.01 lacs) has been provided as depreciation, asset wise detail of which is given below.

(Rs. in lacs)

Sl. No.	Particulars	Amount
1.	Building (Factory)	0.10
2.	Building (Non-Factory)	1.89
3.	Plant & Machinery	641.27
4.	Furniture & Fixtures	2.66
5.	Vehicle	79.34
6.	Computer	9.62
	Total	734.88

6. As per Accounting Standard 18 on "Related Party Disclosure" issued by the Institute of Chartered Accountants of India, the details of transactions between the company and the related parties are given below.

a. Expenses

(Rs. in lacs)

Name & Nature of Relationship	Nature of Transaction	Amount
Subash Agarwal, Chairman	Director's Remuneration	60.00
Rajesh Agarwal, Managing Director	Director's Remuneration	32.80
Sunil Agrawal, President & CEO	Managerial Remuneration	5.88
S.K.Singla, Vice President & Project Head	Managerial Remuneration	5.88
Anil Agrawal, Sr. Vice President & COO	Managerial Remuneration	5.88

b. Other Transactions

(Rs. in lacs)

Name & Nature of Relationship	Nature of Transaction	Amount
Rajesh Agarwal, Managing Director	Hire Charges	13.56
Sunil Agarwal, President & CEO	Hire Charges	5.40
S.K. Singla, Vice President & Project Head	Sub Contract	625.97



(Rs. in lacs)

Name & Nature of Relationship	Nature of Transaction	Amount
M/s. Anil Agarwal, Associate	Hire Charges	1.80
Ram Dulari Agarwal, Relative	Hire Charges	14.40
Sanju Agarwal, Relative	Hire Charges	14.40
Sangeeta Agarwal, Relative	Hire Charges	14.40
Seema Agarwal, Relative	Hire Charges	14.40
Sabita Agarwal, Relative	Hire Charges	14.40
Harischandra - ARSSPL- JV	Sub Contract	93.33
Harischandra-ARSSPL-Triveni-JV	Sub Contract	149.01
Harischandra-ARSSPL-Adhikaria-JV	Sub Contract	848.13
Niraj-ARSS-JV	Sub Contract	4813.13
ARSS-HCIL-Consortium	Sub Contract	869.51
ARSS- MVPL JV	Sub Contract	58.57
ARSS- ANPR JV	Sub Contract	458.49
ARSS - Triveni JV	Sub Contract	1063.60
Back Bone ARSS-JV	Sub Contract	553.42
Atlanta ARSS JV	Sub Contract	2063.65
Patel ARSS JV	Sub Contract	2719.66
Anil Contractors Pvt. Ltd.	Sub Contract	1510.51

10. Since the Company carries on the business of Construction, being a service industry the quantitative information as required under para 3 of part II of Schedule - VI is not being furnished.
11. Previous year figures have been rearranged and regrouped wherever considered necessary.

As per our separate report of even date

For and on behalf of the Board

For P.A. & Associates
Chartered Accountants

(CA P.S. Panda)
Partner
M. No. 51092

Place: Bhubaneswar
Dated: The 8th day of May, 2009

(B.B.Sahoo)
Company Secretary

(S.K. Pattanaik)
Director Finance

(Rajesh Agarwal)
Managing Director

Additional information as required under Part IV of Schedule VI to the Companies Act, 1956 Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.
 Balance Sheet Date State Code

II. Capital raised during the year: (Amount in Rs. Thousands)

Public Issue Right Issue
 Bonus Issue Private Placement
 Share Application Money

III. Position of mobilisation and deployment of funds: (Amount in Rs. Thousands)

Total Liabilities	<input type="text" value="5090620"/>	Total Assets	<input type="text" value="5090620"/>
Sources of Funds		Application of Funds	
Paid up Capital	<input type="text" value="125540"/>	Net Fixed Assets	<input type="text" value="1466203"/>
Share Application Money	<input type="text" value="NIL"/>	Investment	<input type="text" value="38213"/>
Reserves and Surplus	<input type="text" value="1357973"/>	Net Current Assets	<input type="text" value="2265639"/>
Secured Loans	<input type="text" value="2182194"/>	Miscellaneous Expenditure	<input type="text" value="340"/>
Unsecured Loans	<input type="text" value="41061"/>	Profit and Loss Account	<input type="text" value="NIL"/>

IV. Performance of the Company: (Amount in Rs. Thousands)

Net Turnover	<input type="text" value="6282413"/>	Total Expenditure	<input type="text" value="5576476"/>
Profit / (-) Loss before tax	<input type="text" value="705937"/>	Profit / (-) Loss after tax	<input type="text" value="500865"/>
Earnings per share in Rs.			
- Basic	<input type="text" value="40"/>	Dividend Rate in %	<input type="text" value="10"/>
- Diluted	<input type="text" value="40"/>		

V. Generic Names of Principal Products of the Company

Item Code Number
 Product Description
 Item Code Number
 Product Description

(CA P.S. Panda)
 Partner
 M. No. 51092

For and on behalf of the Board

Place: Bhubaneswar
 Dated: The 8th day of May, 2009

(B.B.Sahoo)
 Company Secretary

(S.K. Pattanaik)
 Director Finance

(Rajesh Agarwal)
 Managing Director

OUR AREAS OF OPERATION



Shaping the future

ARSS Infrastructure Projects Limited, has full-fledged offices and allied facilities at all its points of operation.



ARSS Infrastructure Projects Limited

REGD. OFFICE

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Thana - Chour Pathi,
Tufangunj Kuchvihar, West Bengal - 736 159

MAHARASTRA

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