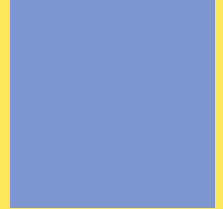




ARSS Infrastructure Projects Limited



2014-15 Annual Report

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Chairman's Letter

Dear Shareholder,

Let me start by sharing my views on the challenges the infrastructure industry is facing today before penning various developments. The Indian macroeconomic environment has looked turbulent during the past years, consequent to a deceleration in global economic growth. India's GDP growth rate has slowed down to a decadal low, partly due to global factors, but more on account of slow reforms and delays in implementation of projects in the country.

Over the last quarter, the Government has taken various initiatives to boost development of infrastructure in the country. These include setting up of infrastructure targets for various sectors, putting in place an institutional mechanism to monitor and hasten the progress of PPP projects at the Central and state levels and facilitating land transfer between government agencies for PPP projects etc.

However, the initiatives taken are not comprehensive and there are still multiple road blocks that adversely affect infrastructure development.

Further, it has been a year since the BJP-led National Democratic Alliance (NDA) government under Prime Minister Mr. Narendra Modi has come into power. India has certainly witnessed positive developments on the economic front. It is clear now that it will take longer for the economy to return to good health. The new Government has done well to start the process of laying a solid foundation for economic growth.

The world had forgotten India and is once again looking forward to India playing a big role and is hopeful of the Indian economy once again growing fast. Inflation seems to be under control. The consumer price index (CPI) inflation was at 5.2% in March 2015.

In the context of a benign inflationary outlook, a comfortable current account situation, and the fact that the Government of India maintained the tight fiscal deficit target that it had set for itself for FY 2015, many of us expected the Reserve Bank of India (RBI) to significantly ease up on interest rates. While the RBI has cut the benchmark repo rate of 25 basis points to 7.25% from 7.5%, it could have done more. I, along with others in various industries, believe that it is time for the RBI as well as the commercial banks to further cut interest rates at least by 200 to 400 basis points without which it will be difficult to increase the rate of growth of infrastructure and, thus, the economy. At the present interest rates projects must earn IRRs of at least 20%. Projects with such high earnings are too few. It must be understood that the IRR requirement of any project/ new investment must come down to 14% for evincing a robust response from entrepreneurs and investors.

Let me now turn to the performance of your Company. In a year that continued to little growth in infrastructure and deep financial distress of construction enterprises, your Company has performed quite creditably. Here are some key facts for FY 2015:

- The order book as on 31st March 2015 is more than ₹ 2000 crores.
- Turnover of ₹ 655 crores.
- EBITDA is ₹212 crore in FY 2015 an increase of 6.3 % over the previous year.
- PAT was ₹6.22 crore.
- EPS (basic) in the FY 2014-15 is ₹ 4.19 as against ₹ 1.12 in the previous year.

As you know, ARSS had availed a Corporate Debt Restructuring (CDR) package with a consortium of its bankers during FY 2012, while there were some delays due to challenging market conditions.

Let me now dwell upon something that I wish to share with you which affects not just your Company but every player in the construction sector. This is about claims settlement. Throughout the world, most if not all construction contracts involve changes of specifications, scope, variations and delays that are often on account of the clients and not the contractors. In such instances, the contractors place claims upon the clients to recover the additional costs.

In most parts of the world, either these claims are more or less accepted and settled by the clients, or else these go to the arbitration. Usually, such matters are really controversial and arbitrations take years. Almost every claims dispute that involves a government or public sector client is referred to a third party for decision- making. If that decision goes in favour of the contractor, the client appeals against it in court. Today, there are thousands of crores worth of awards languishing in courts.

Consider the case of ARSS. After going to CDR, your Company has filed for claims over ₹ 4,000 crores due to various project related disputes. Of these, some claims has been awarded to ARSS through arbitration. But unfortunately, these arbitration awards have been further disputed by clients. Thus several awards that were positive to your Company have been taken to the judiciary.

What does this mean for a contracting firm. It has already incurred such additional costs as are being claimed which have been typically met by additional borrowings from banks. Without the awards being settled, the borrowing has burgeoned along with interest costs. As this continues the debt so large as to make it financially impossible for the contractors to meet the interest and principal repayment dues. This is the case of almost all contracting firms in India.

The only solution to this problem is to change the laws and regulations to make them more equitable for the contractors than these currently are. The present Government is aware of the problem and wants to settle this issue in a sensible and time-bound manner. I can only hope that we in the construction industry will see such a resolution by financial year 2016. I believe that financial year 2016 will see somewhat higher growth than financial year 2015.

I am cautiously optimistic about your Company's prospects in financial year 2016. Your Company will have to continue focusing as before on maximising productivity with an unwavering attention to controlling costs and systematically monetizing its non-key assets. We cannot afford to take our eyes off these fundamental drivers. Cautious of the rate of growth of the top-line and the number of new and significant projects that will be tendered. Your company believes in responsible growth and hence will continue to work hard for the betterment of the society and to make sure that people of our country has better future and a better world to live in.

We have turned the corner from the dark days of loss-making. The CDR taught us very important lessons. Today, more than ever before, a leaner, more productive and focused ARSS is back on the path of profitable growth. May this journey continue.

With these thoughts and feelings, I would like to take this opportunity to wholeheartedly thank the Central and State Governments, Shareholders, Investors, Bankers, Financial Institutions, Regulators, Suppliers, Media and Customers for their consistent and constant support. I wish to express appreciation to my colleagues on the Board and our employees for their thought Leadership, dedication and commitment. I am indeed grateful to you all for your cooperation and the trust you have reposed in us.

With warm and very best regards,

Yours

Subash Agarwal

Chairman

Company Information

Board of Directors

Chairman

Mr. Subash Agarwal (Executive Director)

Managing Director

Mr. Rajesh Agarwal (Executive Director)

Independent Non Executive Directors

Mr.Swarup Chandra Parija

Ms.Rima Dhawan

Mr.Bhushan Kumar Makhija

Nominee Directors

Mr. Krishna Chandra Raut (State Bank of India)

Mr. Bikram Keshari Mishra (Bank of India)

Senior Executives

Mr. Sunil Agarwal- President & CEO

Mr. Anil Agarwal- Sr. VP & COO

Mr. S. K.Pattanaik- CFO

Company Secretary & Compliance Officer

Ms. Alka Khemka

Registered Office

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

Mancheswar Industrial Estate

Bhubaneswar-751 010

Phone - 91 674 258 8552 – 4

Fax- 91 674 258 5074

Email – cs@arssgroup.in, response@arssgroup.in

Web site - www.arssgroup.in

Corporate Office

ARSS Mall, Plot No-40,

Community Centre, Block-A, Paschim Vihar

Opposite to Jwalaheri Market,

New Delhi – 110063

Phone – 91 11 48 63 6363

Fax - 91 11 48 63 6339

E-mail- delhi@arssgroup.in

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

e-mail: edp@bigshareonline.com

Website:www.bigshareonline.com

Board Committees

Audit Committee

Mr.Swarup Chandra Parija

Independent Director- Chairman of the Committee

Ms.Rima Dhawan

Independent Director- Member

Mr. Krishna Chandra Raut

Nominee Director- Member

Stakeholders Relationship Committee

Mr. Swarup Chandra Parija,

Independent Director- Chairman of the Committee

Ms. Rima Dhawan

Independent Director- Member

Mr. Krishna Chandra Raut

Nominee Director- Member

Nomination and Remuneration Committee

Mr. Swarup Chandra Parija,

Independent Director- Chairman of the Committee

Ms. Rima Dhawan-

Independent Director- Member

Mr. Krishna Chandra Raut

Nominee Director- Member

Corporate Social Responsibility Committee

Mr. Rajesh Agarwal

Executive Director- Chairman of the Committee

Mr.Swarup Chandra Parija

Independent Director- Member

Ms.Rima Dhawan

Independent Director- Member

Statutory Auditors

Ajay B Garg

Chartered Accountants,

517-518, Shreekant Chambers,

V.N.Purav Marg, Chembur,

Mumbai- 400 071,

Tel:- 022 6797 8001,

Fax:- 022 6797 8002

E-mail:-agarg@ajaygarg.com

Bankers

State Bank of India

Bank of India

ICICI Bank Ltd

IDBI Bank Ltd

Punjab National Bank

HDFC Bank Ltd

State Bank of Bikaner and Jaipur

AXIS Bank Ltd

Directors' Report

Your Directors have pleasure in presenting before you the 15th Annual Report of the Company together with Audited Statements of Accounts for the Financial Year ended 31st March, 2015:

1. Financial Results:

The performance during the period ended 31st March, 2015 has been as under:

(₹ In Crores)

Particulars	2014-15	2013-14
Sales	655.53	901.42
Profit before Depreciation, Interest and Tax	208.99	199.49
Less : Depreciation	36.55	34.95
Interest	166.96	163.10
Profit Before Tax	5.48	1.44
Less : Tax Expenses		
a) Current Year	1.10	0.30
b) Earlier Year	0.07	-
c) Deferred Tax	(1.90)	(0.53)
Profit/Loss After Tax	6.22	1.67
Balance brought forward from previous year	186.40	184.73
Amount Available for Appropriation	192.62	186.40
Appropriations		
a) Dividend	-	-
b) Tax on Dividend	-	-
c) Transfer to General Reserve	-	-
Balance Carried to Balance Sheet	192.62	186.40
Earnings per Share (In ₹) (equity shares of face value of ₹ 10)	4.19	1.12

2. Operating Result :

In the year 2014-15 performance of the Company was improved considering the economic scenario of the Country. Though the Company achieved a turnover of ₹ 655.53 cores as against the turnover of ₹ 901.42 crores in the previous financial year (2013-14), the profit (PAT) of the company has gone up i.e. ₹ 6.22 crores as against the profit (PAT) of ₹ 1.67 crores in the financial year 2013-14. The considerable increase in the profit against the previous year is due to strict adherence to cost cutting, abandonment of loss making projects and execution of projects during the year having good profit margin and proper utilization of resources. Company is also following the same policy for taking up any new project in its hand. Directors expect further improvement in the performance of the Company in the current financial year.

3. Details of Subsidiary, Joint Venture or Associates

During the year under review no companies have become or ceased to be company's subsidiary, joint ventures or associate companies. A report on the company's subsidiary, joint ventures or associate companies as per companies Act 2013 is provided hereunder:

Sl. No	Name of the company / Joint Venture (JV)	Address of the company	CIN/GLN/ PAN	Holding / subsidiary/ associate	% of shares held/ share in JV	Applicable section
1	ARSS Damoh-Hirapur Tolls Private limited	Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar- 751010	U45201OR2011PTC013524	Subsidiary Company	99.74 %	2 (87)
2	ARSS Bus Terminal Pvt. Limited	Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar- 751010	U63031OR2010PTC012372	Subsidiary Company	51.00 %	2 (87)
3	ARSS Developers Limited.	Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar- 751010	U45209OR2007PLC009201	Associate Company	38.41%	2 (6)
4	NIRAJ-ARSS JV.	Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar- 751010	AAAAN5116B	Joint Venture	40.00%	2 (6)
5	ARSS-ATLANTA JV.	Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar- 751010	AAQFA8726P	Joint Venture	51.00%	2 (6)
6	ATLANTA-ARSS JV	Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar- 751010	AABAA0048E	Joint Venture	49.00%	2 (6)
7	ARSS-HCIL CONSORTIUM	Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar- 751010	AAOFA4560D	Joint Venture	60.00%	2 (6)
8	ARSS-TRIVENI JV	Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar- 751010	AABAA1081H	Joint Venture	51.00%	2 (6)
9	PATEL-ARSS JV	Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar- 751010	AAAAP8266E	Joint Venture	49.00%	2 (6)
10	BACKBONE-ARSS JV.	Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar- 751010	AAAAB7056Q	Joint Venture	49.00%	2 (6)
11	SOMDATT BUILDERS-ARSS JV	Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar- 751010	AADAS6434L	Joint Venture	49.00%	2 (6)
12	ARSS-ANPR JV	Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar- 751010	AABAA1158M	Joint Venture	51.00%	2 (6)

Sl. No	Name of the company / Joint Venture (JV)	Address of the company	CIN/GLN/ PAN	Holding / subsidiary/ associate	% of shares held/ share in JV	Applicable section
13	HCIL-ADHIKARYA-ARSS JV	Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar- 751010	AAEFH3757R	Joint Venture	30.00%	2 (6)
14	ARSS GVR JV	Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar- 751010	AACAA1049A	Joint Venture	51.00%	2 (6)
15	HCIL-ARSSSPL-TRIVENI JV	113-A, Kamala Nagar, Delhi-110007	AADFH8758B	Joint Venture	30.00%	2 (6)
16	HCIL-KALINDEE-ARSS JV	113-A, Kamala Nagar, Delhi-110007	AAEFH1678M	Joint Venture	30.00%	2 (6)
17	HARISH CHANDRA-ARSSSPL JV	Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar- 751010	AAAAH1493H	Joint Venture	49.00%	2 (6)
18	ARSS-MVPL JV	Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar- 751010	AABAA1497P	Joint Venture	51.00%	2 (6)
19	ARSS-BALAJI JV	At / P.o : Belpahar R.S., Belpahar	AABAB1071G	Joint Venture	30.00%	2 (6)

4. Consolidated Financial Statements:

Consolidated financial statements in terms of Section 129 (3) of the Companies Act, 2013 read with rule 6 of Companies (Accounts) Rules, 2014 and accounting Standard AS 21, issued by the Institute of Chartered Accountants of India and as required by the Listing Agreements with Stock Exchange(s), could not be prepared due to dispute between the Company and one of its subsidiary namely ARSS Bus Terminal Private Limited. Accordingly the Management has moved Company Law Board against the subsidiary for oppression and mismanagement and a company petition no.183/2013 is pending before the Company Law Board for hearing.

5. Dividend:

The Board of Directors has not recommended any dividend for the year ended on 31.03.2015.

6. Reserve

No amount was proposed to be transferred to general reserve.

7. Company's working during the year/state of company's affair - order book:

Your Company has an order book of more than ₹ 2000 Crore, which includes the following major works:

- Package – I: Civil and Railway allied works in connection with the construction of Private Railway siding for the proposed 3.0 MTPA Integrated steel plant at Nagarnar, near Jagdalpur, Chhattisgarh state on item rate basis, with a contract value of ₹312.87 Crores.
- Construction of Concrete Pavement in the Coal Transportation Roads of IB Coalfields of MCL (Re-tender), having a contract value of ₹ 312.80 Crores.
- Construction of new 2 lane Highway from Km 38.00 to Km 71.00 (Length=33 Km.) in Mizoram in Phase "A" of SARDP-NE (Package-II), with a contract value of ₹258.22 Crores.

- d) Supply and installation of track (excluding supply of rails) Signaling and overhead equipment (OHE) & associated equipment for 25 KV AC tractive, in connection with doubling of railway line between Baang - Rajatgarh (25 KM) Cuttack Barang (12KM) and 3rd line between Barabg Khurda Road (35KM) in the State of Orissa, India, with a contract value of ₹252.83 Crores.
- e) Widening to 2-lane and improvement in km 0.00 to 102.9 of Paralakhumundi -R.Udayagiri-Mohana Road (S.H.-34) under LWE Scheme, with a contract value of ₹207.78 Crores.
- f) Execution of Balance work for Construction of Roadbed, Major & Minor bridges, Track Linking (excluding supply of rails, ordinary track sleepers and thick web switches), Outdoor Signaling and Electrical (General) works in connection with Doubling of LAKHANA (Ex) – ARAND (in) section (68.936 Kms) part of RAIPUR-TITLAGARH Doubling in SAMBALPUR Division of East Cost Railway in the states of ODISHA & CHATTISGARH, India with a contract value of ₹183.17 Crores.
- g) Balance work of construction of Roadbed including Minor and Major Bridges, facilities and General Electrification for doubling of Railway line between Barang-Rajatgarh (excluding Ghantikal-Naraj Section), Cuttack- Barang and 3rd line between Barang- Bhubaneswar in the State of Orissa, India, India. With contract value of ₹174.31 Crore.
- h) Construction of BRTS Corridor and development of road Contract for Package No. IIB: Sanganer Airport to 22Godam Via Rambagh crossing including Elevated Road at Durgapura (10.50 Km). (NCSL), India with a contract value of ₹169.00 Crores.
- i) Earthwork in formation (excluding Blanket), minor bridges between Km 19.000 to Km. 47.000 and 3 nos. of Steel girder bridges, 8 nos. of Road Over Bridges between Km 19.000 to Km 67.000 in connection with Angul- Sukinda new railway BG line in the state of Odisha, India with a contract value of ₹143.30 Crores.

8. Listing with stock exchanges:

The Company confirms that it has paid the Annual Listing Fees for the year 2015-16 to Bombay Stock Exchange and National Stock Exchange where the Company's Shares are listed.

9. Management Discussion and Analysis Report:

As required under Clause 49 of the Listing Agreements with Stock Exchanges, the Management Discussion and Analysis Report is enclosed as a part of this report as 'Annexure –A'.

10. Corporate Governance and Shareholders Information:

Your Company has taken adequate steps to adhere to all the stipulations laid down in Clause 49 of the Listing Agreement. A report on Corporate Governance is included as a part of this Annual Report as 'Annexure –B'. Certificate from the Statutory Auditors of the company M/s. Ajay B Garg, Chartered Accountants confirming the compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is included as a part of this report.

11. The extract of the annual return as provided under sub-section (3) of section 92;

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as 'Annexure –C'.

12. Number of Board Meetings:

Five Board Meetings were held during the year and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held are as follows:

30th April, 2014, 9th August, 2014, 11th November, 2014, 12th February, 2015 and 31st March, 2015.

13. Audit Committee

The committee has in place an Audit Committee in terms of the requirements of the Companies Act, 2013 read with the rules made thereunder and clause 49 of the Listing Agreement. The details relating to the same are given in 'Annexure B' of the Board Report on the Corporate Governance forming part of this report. Members are requested to refer to point n. 4 of Corporate Governance Report attached with this annual report.

14. Dematerialization of shares:

As on 31st March, 2015, 99.91% of the company's paid up Equity Share Capital is in dematerialized form and balance 0.09% is in physical form. The Company's Registrars are Bigshare Services Private Limited having registered office at E/2, Ansa Industrial Estate, Sakivihar Road, Sakinaka Andheri (E), Mumbai- 400 072.

15. Public deposits, covered under Chapter V of the Act

Your Company has not invited any deposit from public and shareholders. So, the provisions of the **Chapter V** of the Companies Act, 2013 are not attracted.

16. Auditors:

Statutory Auditors:

M/s. Ajay B Garg, Chartered Accountants, Statutory Auditors of the Company, holds office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

The Company has received letter from them to the effect that their reappointment (for the FY 2015-16), if made, would be in accordance with the conditions as prescribed under Section 139 & 141 of the Companies Act, 2013 and Companies (Audit And Auditors) Rules, 2014.

Cost Auditors:

M/s. Ashutosh & Associates, Cost Accountants, Bhubaneswar were appointed as Cost Auditors for auditing the cost accounts of your Company for the year ended 31st March, 2015 by the Board of Directors pursuant to the Section 148 of the Companies Act, 2013 and Companies (Audit And Auditors) Rules, 2014.

Secretarial Auditors:

M/s Sunita Mohanty & Associates, Bhubaneswar were appointed as Secretarial Auditors of the Company for the financial year 2014-15 by the Board of Directors pursuant to the Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Secretarial Audit Report submitted by Company Secretary in Practice (M/s Sunita Mohanty & Associates, Bhubaneswar) is enclosed as a part of this report 'Annexure-D'. Qualifications or remarks made by the Secretarial Auditor in his Report are self explanatory.

Internal Auditors:

M/s. PR & Associates, Cost Accountants, Bhubaneswar were appointed as Internal Auditors of the Company for the financial year 2015-16 by the Board of Directors pursuant to the Section 138 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014.

17. Report of Auditors:

Statutory Auditors

Our reply to the qualifications of Auditors -

- a. In absence of relevant records, Contract-wise surplus/loss has neither been ascertained nor recognized in compliance with the requirements of para 34 and 35 of AS-7 "Construction Contracts" issued by the Institute of Chartered Accountants of India.

Company Reply: The company's secured debts are under Corporate Debt restructuring and the liability and interest payable does not commensurate with the turnover and cannot be justified as there is limited support from Financial Institution. During the execution period there is also escalation claim, revision of contract value, extension of completion period, etc. due to which unpredictable variation in reliable estimation of revenue and cost. Also the allocation of combine Operating overhead, Head office overhead and Financial cost is not possible due to combine use or high swapping of resources, size of the Contracts. In absence of the overheads and financial cost allocation the Company is unable to determine Contract wise surplus / deficit.

- b. Interest for the year amounting to ₹ 317.94 lakhs on inter corporate deposits received has not been charged to the Profit & Loss account resulting in overstatement of profit to that extent.

Company Reply: The Company has received inter corporate deposits from M/s Welspun Projects Limited which with some terms and conditions has to adjoin with revenue over the period of time. There is a dispute towards the said outstanding amount and the matter at present is sub judice. The Company while taking prudence approach postponed its revenue recognition and liability on account of interest has not been provided as it is irrational and not determinable.

- c. In the absence of accounts of ARSS Balajee JV and ARSS-MVPL JV, discrepancies, if any, between the said accounts with that of the Company is not ascertainable.

Company Reply: The accounts of the JVs are under the control of respective JV partners i.e. Balajii Engicons Pvt. Ltd. and Mateshweri Vanijya Pvt. Ltd. and the same has not been yet finalized from their end. Being the unlisted entities (Balaji & MVPL) both the above mentioned companies are not required to complete their annual accounts within 60 days from the end of financial year. Hence the accounts from their end would be prepared much after the preparation and finalization of annual accounts of ARSS. However, both the JVs have become inoperative. The accounting effects of the discrepancies if any after the finalization of accounts will be given at current date.

- d. No provision has been made against performance bank guarantee invoked amounting to ₹82.83 Crores against the Company and the same is disputed by Company.

Company Reply: Our Company is in construction business and executes various contracts of government and corporate clients in individual capacity and as JV partner also. Under some of the contracts because of various reasons including lack preparedness of the clients in fulfillment of its primary obligations the work progress gets seriously affected. Resultantly, the very economy of our work execution and operation got disrupted and in the process the contracts gets terminated at company's risk and cost. Applying the terms and contract in their favour our final bill, escalation bill, security got forfeited and BGs given in support of performance guarantee were encashed for adjusting the cost effect of above termination of contract. The Company has lodged various claims against the said action taken by the contractees and the matter is under arbitration. Hence, based on recovery track of past claims and management estimation no provision is required to be made in the books of accounts.

Secretarial Auditors:

Report of the secretarial auditors as attached is self explanatory in terms of qualifications.

18. Directors /Key Managerial Personnel Appointed / Resigned During the Year;

The following were appointed as Directors /Key Managerial Personnel Appointed / Resigned during the Year:

S I . No.	Name	Designation	Date of Appointment	Date of Resignation
1	Mr. S.C Parija	Independent Director (position regularized originally appointed on 27 th November, 2007)	1 st April, 2014	-
2	Mr. U. N. Challu	Independent Director (position regularized originally appointed on 7 th February, 2012)	1 st April, 2014	24 th February, 2015
3	Mr. B. K. Mishra	Nominee Director (Bank of India)	18 th July, 2014	7 th July, 2015
4	Ms. Alka Khemka	Company Secretary & Compliance Officer	1 st November, 2014	-
5	Ms. Rima Dhawan	Women Independent Director	17 th December, 2014	-
6	Mr. S. K. Pattanaik	Director (Finance)	1 st April, 2005	31 st March, 2015
7	Mr. S. K. Pattanaik	Chief Financial Officer	31 st March, 2015	-
8	Mr. B. K. Makhija	Independent Director	31 st March, 2015	-

19. Director's Responsibility Statement:

Pursuant to the section 134 sub-section (3) clause (c) Directors confirm and state that—

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had 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 and of the profit and loss of the company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis; and
- the directors had laid down internal financial controls and such internal financial controls are adequate and are operating effectively.
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

20. Remuneration ratio of the Directors / Key Managerial Personnel (KMP) / Employees & Particulars of employees:

The information required pursuant to Section 197 (12) read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Particulars of Employees) Rules, 1975, in respect of employees of the Company and Directors is furnished hereunder:

- i) The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year.
 - a) Mr. Subash Agarwal- Chairman- 1: 23
 - b) Mr. Rajesh Agarwal- Managing Director- 1: 18
 - c) Mr. S. K. Pattanaik- Ex Director (Finance)- 1: 15
- ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.- 0%
- iii) The percentage increase in the median remuneration of employees in the financial year- 0%
- iv) The number of permanent employees on rolls of the company.

Total 806 employees as on 31st March, 2015.
- v) The explanation on the relationship between average increase in remuneration and company performance.- NA
- vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company.-NA
- vii) Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over/ decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;
 - Variations in the market capitalization of the company: The market capitalization of the company as on 31.03.2015 was ₹ 53.36 crores and as on 31.03.2014 was ₹ 31.88 crores
 - Price earnings ratio of the company: Price earnings ratio of the company as on 31.03.2015 was 8.58 and as on 31.03.2014 was 19.18.
 - Percentage increase over/ decrease in the market quotations of the shares of the company as compared to the rate at which the company came out with the last public offer in the year:

The Company had come out with initial public offer (IPO) in 2010 with issue price per share of ₹ 450/-. Share price as on March 31, 2015 with NSE is ₹ 35.95/- per share indicating decrease in the market quotation of shares.
- viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration- 0%
- ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company- Same response as in point vi) above .i.e. 0%.
- x) The key parameters for any variable component of remuneration availed by the directors;-

No Director has received any variable component of remuneration.
- xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:

Mr. Subash Agarwal is the highest paid Director. No employee received remuneration higher than him.
- xii) Affirmation that the remuneration is as per the remuneration policy of the company. The remuneration paid to employees is as per the remuneration policy of the Company.

As required under the provision of Section 197 (12) read with Rule 5 (2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Particulars of Employees) Rules, 1975, as amended, there was no employees who have drawn salary or appointed under this category during the financial year 2014-15.

21. Company's Policy On Directors' Appointment and Remuneration Including Criteria For Determining Qualifications, Positive Attributes, Independence Of A Director And Other Matters Provided Under Sub-Section (3) Of Section 178;

The same has been provided in detail in the Corporate Governance Report attached with the board report.

22. Declaration given by independent directors under sub-section (6) of section 149;

The Company has complied with the definition of Independence as per Clause 49 of the Listing Agreement and according to the Provisions of section 149(6) Companies Act, 2013. The company has also obtained declarations from all the Independent Directors pursuant to section 149 (7) of the Companies Act, 2013.

23. 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 helped to cope with the present challenges of the Company during the year.

24. Adequacy of internal financial controls with reference to the Financial Statements. –

Management has put in place effective Internal Control Systems to provide reasonable assurance for:

- Safeguarding Assets and their usage.
- Maintenance of Proper Accounting Records and
- Adequacy and Reliability of the information used for carrying on Business Operations.

Key elements of the Internal Control Systems has been provided & explained in MDA report attached with Director's report.

25. Annual Evaluation By The Board Of Its Own Performance (Including Committees and Individual Directors)

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board who were evaluated on parameters such as level of engagement and contribution and independence of judgment thereby safeguarding the interest of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The board also carried out annual performance evaluation of the working of its Audit, Nomination and Remuneration as well as stakeholder relationship committee. The Directors expressed their satisfaction with the evaluation process.

26. Details of significant and material orders:

There are no significant and material order passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

27. Particulars of Loans, Guarantees or Investments Under Section 186

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

28. Particulars of Contracts or Arrangements With Related Parties Referred To In Sub-Section (1) of Section 188 In The Prescribed Form AOC-2

All related party transactions attracting compliance under Section 188 and / or Clause 49 of the Listing Agreement are placed before the Audit Committee as also before the Board for approval. Prior omnibus approval of the Audit Committee is also sought for transactions which are of a foreseen and repetitive nature.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board of Directors of the Company is uploaded on the website of the Company i.e www.arssgroup.in.

The particulars of contracts entered into with related parties during the year as per Form AOC-2 is enclosed as 'Annexure-E'

29. Material changes and commitments, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report: NA**30. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

During the year under review, the Company has taken adequate measures for conservation of energy and also has not gone for any technology absorption whatsoever in accordance with the provisions of sub - Section (3) (m) section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.

The Company has neither earned any income nor incurred any expenditure in foreign currency during the financial year ended 31st March, 2015.

31. Development and Implementation of Risk Management Policy:

The Company has established risk management framework. The Company has been addressing various risks impacting the Company. In accordance with the provisions of Clause 49 of the Listing Agreement, the Board of Directors of the Company at its Meeting held on February, 2015 has constituted a Risk Management Committee and has approved the Risk Management Policy of the company. This Committee has been delegated the authority by the Board to review and monitor the implementation of the risk management policy of the Company.

32. Corporate Social Responsibility

In terms of section 135 and Schedule VII of the Companies Act, 2013, the Board of Directors of your Company has constituted a CSR Committee. The Committee comprises of one executive director & two Independent Directors. CSR Committee of the Board has developed a CSR Policy. Additionally, the CSR Policy has been uploaded on the website of the Company at www.arssgroup.in under CSR Policy link. Since the average profit for the last three years is in negative figures, no CSR activities was performed / undertaken by the company during the year.

33. Whistle Blower Policy of the Company

In accordance with requirement of Companies Act as well as listing agreement a vigil mechanism has been adopted by the board of directors and accordingly a whistle blower policy has been formulated with a view to provide a mechanism for employees of the company to approach Internal Auditor or Chairman of the Audit Committee of the Company to report any grievance. There were no complaints under the whistle blower during the year under review. A link to such policy is also provided in the website of the company.

34. Acknowledgement:

Your Directors would like to place on record their appreciation for assistance and co-operation received from the financial institutions, banks, Government authorities, customers and members during the year under review. Your Directors also place on record their deep sense of appreciation for the committed services by the executives, employees at all levels.

For and on behalf of the Board of Directors

Place: Bhubaneswar
Dated: 7th August, 2015

Sd/-
(Subash Agarwal)
Chairman

Management Discussion and Analysis Report

1. India's Infrastructure Sector, Industry Structure and Developments:

Infrastructure plays a key role in India's overall development. The sector includes electricity, railways, roads, ports, airport, irrigation, and urban and rural water supply and sanitation. In the past construction industry has seen good growth which was mainly driven by the overall healthy execution of infrastructure projects. Being a key driver of economy, the government is focusing on time bound projects implementation and creation of world class infrastructure in the country supported by buoyant construction sector. With the economic growth coming in, the need to develop enough physical infrastructures became inevitable. To cater to this ever – growing need for new infrastructure the government of India has envisaged a total investment of ₹ 56 trillion over the 12th plan period with Private sector contributing 50% and balance by Government of India and various state Governments.

It is amply evident that India needs to invest significantly in creating physical infrastructure of the kind that can support the growth aspirations of the country. If industrial growth is to be ratcheted, the demand for the provision of power, transportation and logistics will also grow commensurately. Insofar as public investments are concerned, it is heartening to see that the Government of India has significantly increased allocation of funds by ₹ 70,000 crore for investments in infrastructure in the Union Budget 2015-16. If these funds were to materialise and be used for infrastructure, none could complain about the lack of public investment or fiscal support

2. Opportunities and Threats, Risks and concerns

Currently the Construction industry is facing multiple headwinds like regulatory uncertainty and lack of clear policies among others which has created a disturbing environment for all the industry participants. This headwinds has affected the performance of industry players and delayed the projects execution due to land acquisition issues, non-availability of various clearances etc. the industry players are grappling with lower order-book, higher costs and fixed overheads and lower profitability which affect their debt servicing ability affecting the health of various financial institutions.

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 constructions 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 at higher rate of interest which may dampen the growth in profitability.

3. Outlook

Infrastructure industries are poised for growth as economic development of a nation purely depends on the infrastructural development. Present political scenario of the country provides an positive indication for the growth sustenance of the infrastructure industry.

4. Internal control systems and their adequacy

- Management has put in place effective Internal Control Systems to provide reasonable assurance for:
- Safeguarding Assets and their usage.
- Maintenance of Proper Accounting Records and
- Adequacy and Reliability of the information used for carrying on Business Operations.

Key elements of the Internal Control Systems are as follows:

- Existence of Authority Manuals and periodical updating of the same for all Functions.
- Existence of clearly defined organizational structure and authority.
- Existence of corporate policies for Financial Reporting and Accounting.
- Existence of Management information system updated from time to time as may be required.
- Existence of Annual Budgets and Long Term Business Plans.
- Existence of Internal Audit System.
- Periodical review of opportunities and risk factors depending on the Global / Domestic Scenario and to undertake measures as may be necessary.

The Company has appointed an Independent Auditor to ensure compliance and effectiveness of the Internal Control Systems in place. The Audit Committee is regularly reviewing the Internal Audit Reports for the auditing carried out in all the key areas of the operations. Additionally the Audit Committee approves all the audit plans and reports for significant issues raised by the Internal and External Auditors. Regular reports on the business development, future plans and projections are given to the Board of Directors. Audit Reports are regularly circulated for perusal of Senior Management for appropriate action as required. Normal foreseeable risks of the Company's assets are adequately covered by comprehensive insurance. Risk assessments, inspections and safety audits are carried out periodically.

5. Discussion on financial performance with respect to operational performance

The performance during the period ended 31st March, 2015 has been as under:

(₹ In Crores)

Particulars	2014-15	2013-14
Sales	655.53	901.42
Profit before Depreciation, Interest and Tax	208.99	199.49
Less : Depreciation	36.55	34.95
Interest	166.96	163.10
Profit Before Tax	5.48	1.44
Less : Tax Expenses		
a) Current Year	1.10	0.30
b) Earlier Year	0.07	-
c) Deferred Tax	(1.90)	(0.53)
Profit/Loss After Tax	6.22	1.67
Balance brought forward from previous year	186.40	184.73
Amount Available for Appropriation	192.62	186.40
Appropriations		
a) Dividend	-	-
b) Tax on Dividend	-	-
c) Transfer to General Reserve	-	-
Balance Carried to Balance Sheet	192.62	186.40
Earnings per Share (In ₹) (equity shares of face value of ₹ 10)	4.19	1.12

6. Human Resources Development and Industrial Relations:

The Company has constituted an Internal Complaint Committee (ICC) in pursuant to the provisions of Companies Act, 2013 for prevention, prohibition and redressal of complaints /grievances on the sexual harassment of women at work places. To enrich the skills of employees and enrich their experience, the Company arranges, Practical Training Courses by Internal and External Faculty. 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. Labor relations at all work sides and at the headquarters of the Company continued to remain cordial throughout the year. There was no industrial dispute during the year under review.

7. Business Performance :

In the year 2014-15 performance of the Company was improved considering the economic scenario of the Country. Though the Company achieved a turnover of ₹ 655.53 cores as against the turnover of ₹ 901.42 crores in the previous financial year (2013-14), the profit (PAT) of the company has gone up i.e. ₹ 6.22 crores as against the profit (PAT) of ₹ 1.67 crores in the financial year 2013-14. The considerable increase in the profit against the previous year is due to strict adherence to cost cutting, abandonment of loss making projects and execution of projects during the year having good profit margin and proper utilization of resources. Company is also following the same policy for taking up any new project in its hand.

Directors expect further improvement in the performance of the Company in the current financial year.

8. Strategic Initiative:

The Company is well on its course to meet its growth targets despite increase competition. Effective business strategies have allowed the Company executing projects in a timely manner and economies on critical resources through joint venture in large projects.

The foray into high potential business of railways, roads and bridges has been successful during the year and boosted the order in flow. The Company is strengthening its manpower for execution of high value projects and adding assets for development of infrastructures to complete all contracts in time.

9. Cautionary Statement:

Statements in the Management Discussion and Analysis and Directors Report describing the Company's strengths, strategies, projections and estimates, are forward-looking statements and progressive within the meaning of applicable laws and regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government Policies and other incidental factors. Readers are cautioned not to place undue reliance on the forward looking statements. For and on behalf of the Board of Directors

Place : Bhubaneswar
Dated : The 7th August, 2015

(Subash Agarwal)
Chairman

Corporate Governance Report

1. Company's Philosophy on code of Corporate Governance.

The Company's policies, practices and philosophy adopted since inception are in line with Corporate Governance. These policies, practices are required periodically to ensure its effective compliance. The composition of Board of Directors is well balanced with a view to manage the affairs of the Company efficiently and professionally. The Company's philosophy is to provide satisfaction to all stakeholders including customers, shareholders and employees.

ARSS is respected for its adaptability of Corporate Governance through integrity, transparency, proper disclosure and accountability. The Company is committed for its proper objective in infrastructure development and timely execution of key infra projects paving the ways for economic development of concerned area. It also adheres to ethical business practices and lays emphasis on quality service and timely execution.

2. Board of Directors

The Board of Directors of the Company have an optimum combination of Executive, Non-Executive and Independent Directors who have an in-depth knowledge of business, in addition to the expertise in their areas of specialization. The Board of the Company comprises Eight Directors that includes one Women Director.

- (i) The Company had 7 Directors (as on 31.03.2015) of which 2 are Executive Directors, 2 are Nominee Directors and 3 are Non-Executive & Independent Directors. Out of 3 Non-Executive & Independent Directors there is one Woman Independent Director.
- (ii) The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanship /Memberships held by them in other companies is given below. Other directorships do not include alternate directorships, directorships of Private Limited Companies, section 25 companies, and of companies incorporated outside India. Chairmanship / Membership of Board Committees include only Audit committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee and CSR Committee.

Name	Category	Board Meetings		Attendance at Last AGM	No. of Directorship and other committee Membership/Chairmanship			No. of shares held in the company as on 31.03.2015
		Held During the tenure	Attended		Directorship	Committee membership	Chairmanship	
Mr. Subash Agarwal (Chairman)	Executive Director	5	4	Yes	3	Nil	Nil	11,73,500
Mr. Rajesh Agarwal (Managing Director)	Executive Director	5	5	Yes	3	Nil	Nil	3,56,000
*Mr. Soumendra Keshari Pattanaik	Executive Director	5	5	Yes	1	Nil	Nil	120
Mr. Swarup Chandra Parija	Independent Director	5	5	Yes	1	3	2	Nil
*Mr. Upendra Nath Challu	Independent Director	4	4	No	2	4	1	Nil
*Ms. Rima Dhawan	Independent Director	2	2	-	5	Nil	Nil	Nil
Mr. Bhusan Kumar Makhija	Independent Director	0	0	-	1	Nil	Nil	Nil
Mr. Bikram Keshari Mishra	Nominee Director	4	4	-	Nil	Nil	Nil	Nil
Mr. Krishna Chandra Raut	Nominee Director	5	5	Yes	1	Nil	Nil	Nil

Notes:-

- * Mr. S.K. Pattanaik ceased to be Director of the Company and appointed as Chief Financial Officer (CFO) of the Company w.e.f. 31-03-2015.
- * Mr. U.N. Challu ceased to be Director of the Company w.e.f. 24-02-2015.
- * Mr. B.K. Mishra was appointed as Nominee Director of the Company w.e.f. 18-07-2014.
- * Ms. Rima Dhawan was appointed as Women Independent Director of the Company w.e.f. 17-12-2014.
- * Mr. K. K. Sharma was appointed as Independent Director w.e.f. 4th May, 2015.

None of the present directors except Mr. Subash Agarwal & Mr. Rajesh Agarwal are "Relative" of each other as defined in Section 2 (77) of Companies Act, 2013 and Rule 4 of the companies (Specification of definitions details) Rule 2014.

(iii) No. of Board Meetings

Five Board Meetings were held during the year and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held are as follows:

30th April, 2014, 9th August, 2014, 11th November, 2014, 12th February, 2015 and 31st March, 2015.

Further, the Board Meetings for approval of quarterly and annual financial results were held on the following dates:

1 st Quarter Results	: 9 th August, 2014
2 nd Quarter Results	: 11 th November, 2014
3 rd Quarter Results	: 12 th February, 2015
4 th Quarter & Annual Results	: 12 th May, 2015

The tentative dates of the Board Meetings for consideration of financial results for the year ending 31st March, 2016 are as follows:

1 st Quarter Results	: 7 th August, 2015
2 nd Quarter Results	: 10 th November, 2015
3 rd Quarter Results	: 12 th February, 2016
4 th Quarter & Annual Results	: 10 th May, 2016

During the year, information as mentioned in Annexure X to Clause 49 of the Listing Agreements has been placed before the Board for its consideration.

(iv) Board Procedure

The Board ensures that the Company's reporting and disclosure practices meet the highest standards of Corporate Governance and that the business practices followed by the Company are oriented towards meeting obligations towards various stakeholders and enhancing shareholders value. The Agenda of the meeting is circulated well in advance to the Board members backed by comprehensive background information to enable them to take appropriate decisions. In addition to the information required under Annexure I A to Clause 49 of the Listing Agreement, the Board is also kept informed of major events / items and approvals taken wherever necessary. The Managing Director at the Board Meetings keep the Board apprised of the overall performance of the Company.

(v) Code of Conduct for Board members and Senior Management

The Board of Directors has laid down the code of conduct for all the Board members and members of the Senior Management of the Company. Additionally all independent directors of the company shall be bound by duties of independent directors as set out in the Companies Act, 2013 read with the Schedules and Rules there-under. All the Board members and Senior Management personnel have affirmed compliance with the code of conduct.

The Code of Conduct is available on the website of the company.

(vi) Formulation of Policy for Selection and Appointment of Directors and Their Remuneration

The Nomination and Remuneration Committee discussed and thereafter decided upon the policy for selection of appointment of directors and their remuneration. The highlights of this policy are as follows:

A) Criteria of selection of Non Executive Directors

- The Non Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.
- In case of appointment of Independent Directors, the Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- The Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.

- d) The Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.
- Qualification, expertise and experience of the Directors in their respective fields;
 - Personal, Professional or business standing;
 - Diversity of the Board.
 - In case of re-appointment of Non Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

B. Remuneration to Non Executive Directors

The Non Executive Directors shall be entitled to receive remuneration by way of sitting fees for participation in the Board / Committee meetings and commission as detailed hereunder:

- a) A Non Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee meeting attended by him/her at his/her discretion of such sum as may be approved by the Board of Directors within the overall limits prescribed under
- b) the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;
- c) The Committee may recommend to the Board, the payment of commission on uniform basis, to reinforce the principles of collective responsibility of the Board.
- d) The payment of such commission would be at the discretion of board only and shall not exceed 1% of the net profit of the Company;
- e) The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, introduced by the Company

C. Chairman/ Managing Director & Whole Time Director - Criteria for selection / appointment

For the purpose of selection of the Managing Director or Whole Time Director the Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board. The Committee will also ensure that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

D. Remuneration for the Chairman/ Managing Director or Whole Time Director

- a) At the time of appointment or re-appointment, the Chairman, Managing Director or Whole Time Director may be paid such remuneration as may be mutually agreed between the Company (which includes the nomination & Remuneration Committee and the Board of Directors) and the Chairman, Managing Director or Whole Time Director within the overall limits prescribed under the Companies Act, 2013.
- b) The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
- c) The remuneration of the Chairman, Managing Director or Whole Time Director may be broadly divided into fixed and variable components. The fixed component shall comprise salary, allowances, perquisites, amenities and retiral benefits. The variable component shall comprise performance bonus.
- d) In determining the remuneration (including the fixed increment and performance bonus) the Committee shall ensure / consider the following:
- the relationship of remuneration and performance benchmarks is clear;
 - balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
 - responsibility required to be shouldered by the Managing Director or Whole Time Director, the industry benchmarks and the current trends.

(vii) Remuneration Policy For The Senior Management Employees

In determining the remuneration of the Senior Management Employees (i.e. KMPs and senior officers just below the board level) the Committee shall ensure / consider the following:

- the relationship of remuneration and performance benchmark is clear;
- the balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
- the remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;
- the remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individuals performance and current compensation trends in the market.

The Chairman, Managing Director or Whole Time Director will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors and thereafter shall recommend the annual increment and performance incentive to the Committee for its review and approval.

(viii) Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board who were evaluated on parameters such as level of engagement and contribution and independence of judgment thereby safeguarding the interest of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The board also carried out annual performance evaluation of the working of its Audit, Nomination and Remuneration as well as stakeholder relationship committee. The Directors expressed their satisfaction with the evaluation process.

3. Independent Directors :

The Company has complied with the definition of Independence as per Clause 49 of the Listing Agreement and according to the Provisions of section 149(6) Companies Act, 2013. The company has also obtained declarations from all the Independent Directors pursuant to section 149 (7) of the Companies Act, 2013.

The company issued formal letters of appointment to Independent Directors in the manner as provided in the Companies Act, 2013. The appointment letters of Independent Directors has been placed on the Company's website at www.arssgroup.in. Independent Directors letters link.

Training & Induction of Independent Directors:

Whenever new Non-executive and Independent Directors are inducted in the Board they are introduced to our Company's culture through appropriate orientation session and they are also introduced to our organization structure, our business, constitution, board procedures, our major risks and management strategy.

Performance Evaluation of non-executive and Independent Directors

The Board evaluates the performance of Non-executive and Independent Directors every year. All the Non-executive and Independent Directors are eminent personalities having wide experience in the field of business, industry and administration. Their presence on the Board is advantageous and fruitful in taking business decisions.

Separate Meeting of the Independent Directors:

The Independent Directors held a Meeting on 31st March, 2015, without the attendance of Non-Independent Directors and members of Management. All the Independent Directors were present at the meeting. The following issues were discussed in detail:

- I) Reviewed the performance of non-independent directors and the Board as a whole;
- II) Reviewed the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;

- III Assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Board Committees:

The terms of reference of Board Committees are determined by the Board from time to time. Presently the Company has four committees i.e Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. All the decisions pertaining to the constitution of the Committees, appointment of members, and fixing of terms of reference for committee members are taken by the Board of Directors. Details on the role and composition of these committees, including the number of meetings held during the financial year and the related attendance, are provided below:

4. Audit Committee:

i) Terms of reference:

The Audit Committee reviews the audit reports submitted by the Auditors, financial results, effectiveness of internal audit processes and the Company's risk management strategy. It reviews the Company's established systems and the Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and Clause 49 of the Listing Agreement.

ii) Composition:

The Audit Committee of the Company consists of 3 Independent Directors. The Chairman of the Audit Committee is financially literate and majority of them having accounting or related financial management experience. Company Secretary acts as Secretary to the Committee. AVP Finance and Manager Taxation are the permanent invitees in the Audit Committee meetings.

iii) No. of Meetings held during the year:

During the year the Committee had 4 Meetings i.e. on 30th April, 2014, 09th August, 2014, 11th November, 2014, and 12th February, 2015.

iv) Composition, name of Members and attendance during the year:

The audit committee was reconstituted in the board meeting held on 31.03.2015. Composition of Audit Committee and attendance of each Director during the meetings held in financial year 2014-15 are given below:

Name of the member	Position	No. of Meetings held	No. of meetings Attended
Mr. Swarup Chandra Parija	Chairman	4	4
Mr. Krishna Chandra Raut	Member	4	4
M r. Upendra Nath Challu *	Member	4	4
Ms. Rima Dhawan *	Member	0	0

Notes:-

* Mr. U.N. Challu resigned from Board and audit committee w.e.f. 24-02- 2015.

* Ms. Rima Dhawan was appointed as member of the audit committee in the board meeting held on 31.03.2015.

* The Chairman of the Audit Committee was present at the last Annual General Meeting.

* Ms. Alka Khemka is the Secretary to the Audit Committee.

5. Nomination and Remuneration Committee Meeting:

i) Terms of reference:

This Committee shall identify the persons, who are qualified to become Directors of the Company (including independent directors) / who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and also shall carry out evaluation of every director's performance. Committee shall also formulate the criteria for determining qualifications, positive attributes, independent of the Directors and recommend to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

ii) Composition:

The Nomination and Remuneration Committee of the Company consists of 3 Non-Executive Independent Directors including Chairman.

iii) No. of Meetings held during the year:

During the year the Committee had 4 Meetings i.e. on 30th April, 2014, 09th August, 2014, 11th November, 2014, and 12th February, 2015.

iv) Composition, name of Members and attendance during the year:

The Nomination and Remuneration committee was reconstituted in the board meeting held on 31.03.2015. Composition of Nomination and Remuneration Committee and attendance of each Director during the meetings held in financial year 2014-15 are given below:

Name of the member	Position	No. Of Meetings held	No. of meetings Attended
Mr. Swarup Chandra Parija	Chairman	4	4
Mr. Krishna Chandra Raut	Member	4	4
Mr. Upendra Nath Challu *	Member	4	4
Ms. Rima Dhawan *	Member	0	0

Notes:-

* Mr. U.N. Challu resigned from Board and Nomination and Remuneration committee w.e.f. 24-02- 2015 and Ms. Rima Dhawan was appointed as member of the Nomination and Remuneration Committee in the board meeting held on 31.03.2015.

* Ms. Rima Dhawan resigned from the Nomination and Remuneration committee and Mr. Bhusan Kumar Makhija was appointed as member of the Nomination and Remuneration Committee w.e.f 12.05.2015 in the board meeting.

Remuneration to Directors

The remuneration provided to the Board Members, Key Managerial Personnel (KMPs) & Senior Management Personnel (SMPs) is in adherence with the provisions of revised clause 49 of the listing agreement, Section 197, 198, 178 and other applicable provisions of the Companies Act, 2013 and Rules made there under.

Remuneration to Executive Directors: Remuneration policy / criteria of payment to Executive Directors:

The Company has a credible and transparent policy in determining and accounting for the remuneration of the Chairman/ Managing Director / Whole Time Directors (MD / WTDs). Their remuneration is governed by the external competitive environment; track record, potential, individual performance and performance of the company as well as industry standards. The remuneration determined for Chairman/ MD / WTDs is subjected to the recommendation of the nomination & remuneration committee and approval of the Board of Directors, members in due compliance of the provisions of Companies Act, 2013 and other applicable rules made there under. As a policy, the Executive Directors are neither paid sitting fee nor any commission.

Details of remuneration paid to Chairman/ Managing Director / Whole Time Directors for the year ended 31st March, 2015:

Name of the Director	Position	Salary Per Annum (₹ In Lacks)
Mr. Subash Agarwal	Chairman	27.00
Mr. Rajesh Agarwal	Managing Director	21.00
Mr. S.K. Pattanaik *	Whole Time Director (Finance)	18.00

* Mr. S.K. Pattanaik ceased to be Director (Finance) and appointed as CFO of the company w.e.f. 31st March, 2015.

Remuneration to Non-Executive Directors:

The Non-Executive Directors of the company are paid remuneration by way of sitting fees only for attending the meetings of the Board of Directors and its Committees. The sitting fees paid to the Non-Executive Directors for attending meetings of Board of Directors and Committee of Board of Directors is ₹ 20,000/- per meeting. Beside the sitting fees they are also entitled to reimbursement of expenses for attending the meeting. The Non-Executive Directors of the Company were not paid any other remuneration or commission.

Sitting fee paid to the Non-Executive Directors, for 2014-15 are as detailed below:

Name of the Director	Amount (₹ In Lacks)
Mr. Swarup Chandra Parija	3.60
Mr. Upendra Nath Challu #	3.40
Mr. Krishna Chandra Raut	3.40
Mr. Bikram Keshri Mishra	0.80
Ms. Rima Dhawan*	0.40
Total	11.60

Notes:-

* Ms. Rima Dhawan Appointed as Women Independent Director of the Company w.e.f. 17-12-2014.

* Mr. U.N. Challu resigned from Board of Directors of the Company w.e.f. 24-02-2015.

Relationship of Non-Executive Directors with the Company and inter-se:

There is no pecuniary relationship or transactions of the Non-Executive Directors vis-a-vis the Company and inter-se themselves except for the sitting fees paid to them for attending the Board and Committee meetings.

6. Corporate Social Responsibility Committee (CSR):

i) Terms of reference:

The Committee formulates CSR Policy. Since the average profit for the last three years is in negative figures, no CSR activities was performed / undertaken by the company during the year.

ii) Composition:

The CSR Committee of the Company consists of 2 Non-Executive Independent Directors and 1 Executive Director.

iii) No. of Meetings held during the year:

During the year the Committee had 1 meeting i.e. on 12th February, 2015.

iv) Composition, name of Members and attendance during the year:

Name of the member	Position	No. Of Meetings held	No. of meetings Attended
Mr. Rajesh Agarwal	Chairman	1	1
Mr. Swarup Chandra Parija	Member	1	1
Mr. Upendra Nath Challu *	Member	1	1
Ms. Rima Dhawan*	Member	0	0

* Mr. U.N. Challu resigned from Board and CSR committee w.e.f. 24-02- 2015.

* Ms. Rima Dhawan was appointed as member of the CSR Committee in the board meeting held on 31.03.2015.

7. Stakeholders Relationship Committee.

i) Terms of reference:

The Committee focuses primarily on monitoring expeditious redressal of investors / stakeholders grievances and also function in an efficient manner that all issues / concerns stakeholders are addressed / resolved promptly.

ii) Composition of the Committee:

The Committee consists of 3 Non-Executive Independent Directors.

iii) No. of meetings held and attended during the year :

During the year the Committee had 4 Meetings i.e. on 30th April, 2014, 09th August, 2014, 11th November, 2014, and 12th February, 2015.

(iv) Composition, name of Members and attendance during the year:

Name of the member	Position	No. Of Meetings held	No. of meetings attend
Mr. Swarup Chandra Parija	Chairman	4	4
Mr. Upendra Nath Challu *	Ex-Chairman	4	4
Mr. Krishna Chandra Raut	Member	4	4
Ms. Rima Dhawan *	Member	0	0

* Mr. U.N. Challu resigned from Board and Stakeholders Relationship Committee w.e.f. 24-02- 2015 and Ms. Rima Dhawan was appointed as member of the Stakeholders Relationship Committee in the board meeting held on 31.03.2015.

(v) Name and Designation of Compliance Officer:

Ms. Alka Khemka, Company Secretary, is the Compliance Officer.

Shareholder's Services:

Sl. No.	Nature of Complaint	2014-15		2013-14	
		Received	Answered	Received	Answered
1	All kind of Shareholders Complaint	NIL	NIL	NIL	NIL

8. Risk Management Committee:

In accordance with the provisions of Clause 49 of the Listing Agreement, the Board of Directors of the Company at its Meeting held on February, 2015 has constituted a Risk Management Committee. This Committee comprises 3 Members i.e. Mr. Rajesh Agarwal- Managing Director (Chairman of the committee), Mr. S. K. Pattanaik- Director (Finance) (Member of the Committee) and Mr. Sunil Agarwal- Chief Executive Officer (Member of the Committee).

This Committee has been delegated the authority by the Board to review and monitor the implementation of the risk management policy of the Company.

No meeting of this Committee was held during the financial year i.e. 2014-15.

9. Other Committee:

The Company also have a Warrant Allotment Committee, Internal Complaint Committee (ICC) Committee and Inspection Committee of the Board constituted by the Board of directors.

Risk Management Committee assigned with the task, inter-alia, of reviewing the risk management process on continuous basis, considering the alternatives for mitigating the risk and updating the Board about the major risks.

10. Annual General Meetings:**Location and time for the last three AGM:**

Year	Date	Time	Location	Special Resolution
2011-12	11-08-2012	11.00 A.M	Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar – 751 010.	i) Increase in authorized share capital ii) Further issue of shares
2012-13	27-09-2013	11.00 A.M.	Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar – 751 010.	i) Increase in authorized share capital ii) Further issue of shares iii) Reappointment of Executive Chairman of the company
2013-14	18-07-2014	11.00 A.M.	Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar – 751 010.	i) Further issue of shares ii) Related party transactions

i) Extraordinary General Meeting

EGM was held on 17th December, 2014. The special resolution was passed for further issue of shares to promoters & their associates pursuant to CDR.

ii) Postal Ballot

The postal ballot notice for approval of members for the following items as special resolutions was approved by the board on 12th February, 2015.

M/s Adesh Tandon & Associates, Practicing Company Secretary firm, were appointed as Scrutinizer for conducting the postal ballot process in a fair and transparent manner in the board meeting dated 12th February, 2015. Company Secretary and Executive directors were authorized to conduct the entire postal ballot exercise.

Postal ballot notices were dispatched to the members on 16th March, 2015. The e-voting period commenced on Monday, 16th March, 2015 (6:00 P.M) and ended on Wednesday, 15th April, 2015 (6:00 P.M) i.e. e-voting was opened for thirty days. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Monday, 9th March, 2015, might cast their vote electronically. E-voting /ballot result was declared on 18th April, 2015:

a) To approve, ratify and confirm the Corporate Debt Restructuring (CDR) Scheme

Voted in favour of Resolution:-

Number of Members voted through electronic voting system.	Number of votes cast in 'Favour' of resolution	Number of Members voted by Postal Ballot	Number of Vote cast in favour of Resolution by Postal Ballot	Total Number of Vote cast through e-voting and Postal Ballot	% of total number of valid votes cast
74	2715041	5	68539	2783580	99.99%

Voted in against the Resolution:-

Number of Members voted through electronic voting system.	Number of votes cast in 'Share e-voing	Number of Members voted by Postal Ballot	Number of Vote cast in Share by Postal Ballot	Total Number of Vote cast through e-voting and Postal Ballot	% of total number of valid votes cast
5	415	0	0	415	0.01%

b) To issue further Equity Shares of the Company to Promoter/Promoters' Group on Preferential Basis as a part of Corporate Debt Restructuring Scheme

Voted in favour of Resolution :-

Number of Members voted through electronic voting system.	Number of votes cast in 'Favour' of resolution	Number of Members voted by Postal Ballot	Number of Vote cast in favour of Resolution by Postal Ballot	Total Number of Vote cast through e-voting and Postal Ballot	% of total number of valid votes cast
62	2682561	5	68539	2751100	98.83%

Voted in against the Resolution:-

Number of Members voted through electronic voting system.	Number of votes cast in Share e-voting	Number of Members voted by Postal Ballot	Number of Vote cast in Share by Postal Ballot	Total Number of Vote cast through e-voting and Postal Ballot	% of total number of valid votes cast
15	32507	0	0	32507	1.17%

11. a) Disclosures on materially significant related party transactions

None of the transactions with any of the related parties were in conflict with the interest of the Company. Attention of Members is drawn to the disclosures of transactions with the related parties set out in Notes on Accounts – Schedule '28', forming Part of the Annual Report.

All related party transactions are negotiated on arms length basis and are intended to further the interests of the Company.

b) Details of non-compliance by the Company

There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years and hence no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other similar statutory authority.

c) Whistle blower policy of the company

In accordance with requirement of Companies Act as well as listing agreement a vigil mechanism has been adopted by the board of directors and accordingly a whistle blower policy has been formulated with a view to provide a mechanism for employees of the company to approach Internal Auditor or Chairman of the Audit Committee of the Company to report any grievance. A link to such policy is also provided in the website of the company.

d) The Company has fully complied with the applicable mandatory requirements of clause 49 of the listing agreement.**12. Means of Communication.**

Quarterly, Half-yearly and Annual Financial Results of the Company are communicated to the Stock Exchanges immediately after the same are considered by the Board and are published in the all India editions of Business Standard and Odisha edition of Dainik Bhasker/ Prameya/ The Samaj. The results, official detailed presentations made to media, analysts and institutional investors, etc. are displayed on the Company's website www.arssgroup.in.

13. SEBI Complaints Redressal System (SCORES):

SEBI has initiated SCORES for processing the investor complaints in a centralized web based redress system and online redressal of all the shareholders complaints. The company is in compliance with the SCORES and redressed the shareholders complaints well within the stipulated time.

14. Prevention of Insider Trading

The Board of Directors approved and formulated the "Code of Practices and Procedures for Fair Disclosures" as per regulation 8 (1) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, with a view to regulate trading in securities by the Directors and designated employees of the Company. The same to be effective from 15th May, 2015.

15. Reconciliation of Share Capital Audit:

As stipulated by SEBI, a qualified Practicing Company Secretary carries out the Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSIL) and the total issued and paid-up capital. This audit is carried out every quarter and the report thereon is submitted to the stock exchanges and is placed before the board of directors of the Company. The audit, inter alia, confirms that the listed and paid up capital of the company is in agreement with the aggregate of the total number of shares in dematerialized form held with NSDL and CDSIL and the total number of shares in physical form.

16. Green Initiative in the Corporate Governance:

As part of the green initiative process, the company has taken an initiative of sending documents like notice calling Annual General meeting, Corporate Governance Report, Directors Report, audited Financial Statements, Auditors Report, Dividend intimations etc., by email. Physical copies are sent only to those shareholders whose email addresses are not registered with the company and for the bounced-mail cases. Shareholders are requested to register their email id with Registrar and Share Transfer Agent / concerned depository to enable the company to send the documents in electronic form or inform the company in case they wish to receive the above documents in paper mode.

17. General Shareholder's Information:

Forthcoming Annual General Meeting

AGM date	:	29 th September, 2015
Day	;	Tuesday
Time	;	At 11.00 am
Venue	;	At the Regd. Office of the Company At Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar –751 010.
Financial Year	;	1 st April, 2014 to 31 st March, 2015
Book Closure Date	;	15.09.2015 to 18.09.2015 (Both days inclusive)
Dividend payment date	;	No dividend was recommended.
Listing on Stock Exchanges	;	A) Bombay Stock Exchange Ltd B) National Stock Exchange of India Ltd
Stock Code	;	BSE : 533163 NSE : ARSSINFRA- EQ
ISIN	;	INE267I01010 (NSDL & CDSL)
The Company has paid listing fees for the year 2015-16 to both the above stock exchanges.		
Corporate Identification Number		L14103OR2000PLC006230

Market Price Data

High Low and trade volumes each month & compared to closing respective index during the financial year 2014-15 of ARSS at BSE and NSE:

Month & Year	Bombay Stock Exchange				National Stock Exchange			
	High Price (In ₹)	Low Price (In ₹)	No. of Share Traded	SENSEX Closing	High Price (In ₹)	Low Price (In ₹)	No. of Share Traded	NIFTY Closing
April-2014	36.40	21.35	14,60,658	22,417.80	36.40	21.15	44,72,771	6,696.40
May-2014	45.60	27.90	11,22,702	24,217.34	46.00	28.00	22,81,908	7,229.95
Jun-2014	67.95	44.00	14,33,765	25,413.78	67.90	43.10	26,06,790	7,611.35
July-2014	71.10	50.65	10,57,887	25,894.97	71.20	50.35	20,33,747	7,721.30
August-2014	62.40	45.65	13,24,567	26,638.11	62.40	45.25	26,69,609	7,954.35
September-2014	49.80	35.60	8,27,348	26,630.51	48.70	35.60	16,66,666	7,964.80
October-2014	43.90	32.00	4,25,876	27,865.83	43.95	32.25	8,70,835	8,322.20
November-2014	47.45	36.45	7,07,432	28,693.99	47.50	36.40	14,45,391	8,588.25
December-2014	43.70	33.15	4,22,234	27,499.42	43.80	33.20	10,10,907	8,282.70
January-2015	53.50	36.25	25,11,761	29,182.95	53.45	36.80	56,53,155	8,808.90
February-2015	54.00	42.35	18,28,538	29,361.50	54.00	42.10	40,87,365	8,901.85
March-2015	50.35	30.10	9,94,790	27,957.49	50.20	30.40	22,75,290	8,491.00

Registrar and 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

Share Transfer System

The transactions of the shares held in Demat and Physical form are handled by the Company's Depository Registrar, Bigshare Services Private Limited

Particulars	2014-15	2013-14
Shares Transferred	NIL	NIL
Total No. of shares as on 31 st March, 2015	1,48,43,230	1,48,43,230
% on Share Capital	NIL	NIL

Shareholding Pattern as on 31st March, 2015

SHAREHOLDING PATTERN AS ON 31.03.2015					
SL.NO	CATEGORY	FOLIOS	%AGE	SHARES	%AGE
1	CORPORATE BODIES	486	2.28%	2,942,085	19.82%
2	FOREIGN INST. INVESTOR	2	0.01%	8,502	0.06%
4	NON RESIDENT INDIANS	162	0.76%	256,472	1.73%
5	PROMOTERS	13	0.06%	2,799,732	18.86%
6	PUBLIC	20,534	96.42%	8,716,066	58.72%
7	CLEARING MEMBER	101	0.47%	120,373	0.81%
TOTAL		21,298	100.00%	14,843,230	100.00

Top Ten Shareholders of the Company as on 31st March, 2015

SR.NO	SHAREHOLDER'S NAME	CATEGORY	SHARES	%AGE
1	SUBASH AGARWAL	PROMOTERS	11,73,500	7.91
2	MOHANLAL AGARWAL	PROMOTERS	7,61,750	5.13
3	SATHYAMOORTHY DEVARAJULU	PUBLIC	5,40,000	3.64
4	RAJESH AGARWAL	PROMOTERS	3,56,000	2.40
5	TAO BUILDERS AND DEVELOPERS PVT LTD.	CORPORATE BODIES	3,43,000	2.31
6	SREI EQUIPMEMT FINANCE PRIVATE LIMITED	CORPORATE BODIES	3,05,000	2.05
7	ANIL AGARWAL	PROMOTERS	2,90,000	1.95
8	BOMBAY CABLE CO. PVT. LTD	CORPORATE BODIES	2,00,000	1.35
9	OJASVI INFRASTRUCTURE PRIVATE LIMITED	CORPORATE BODIES	1,27,400	0.86
10	MENTOR CAPITAL LIMITED	CORPORATE BODIES	1,22,318	0.82

Distribution Scheduled of shareholding as on 31st March, 2015

Range	As on 31 st March, 2015				As on 31 st March, 2014			
	Folios	%age	Shares	%age	Folios	%age	Shares	%age
Up to 500	18,242	85.65	2,116,275	14.26	20,061	87.07	2,227,527	15.01
501-1000	1,451	6.81	1,184,255	7.98	1,454	6.31	1,161,755	7.83
1001-2000	776	3.64	1,183,114	7.97	739	3.21	1,123,976	7.57
2001-3000	272	1.28	697,175	4.70	283	1.23	719,270	4.85
3001-4000	141	0.66	501,346	3.38	126	0.55	453,009	3.05

Range	As on 31 st March, 2015				As on 31 st March, 2014			
	Folios	%age	Shares	%age	Folios	%age	Shares	%age
4001-5000	119	0.56	559,898	3.77	106	0.46	497,476	3.35
5001-10000	161	0.76	1,147,007	7.72	149	0.65	1,050,090	7.07
10001 and above	136	0.64	7,454,160	50.22	123	0.53	7,610,127	51.27
TOTAL	21,298	100.00	14,843,230	100.00	23,041	100.00	14,843,230	100.00

Dematerialization of Shares

Physical/ NSDL/ CDSL/Summary Report as on 31st March, 2015, representing 99.91% of total Equity Share Capital of the Company were held in dematerialized form.

Mode of Holding	As on 31 st March, 2015			As on 31 st March, 2014		
	No. of holders	No. of Shares	% to Equity	No. of holders	No. of Shares	% to Equity
NSDL	12104	92,11,954	62.06	13056	93,58,921	63.05
CDSL	9185	56,18,049	37.85	9976	54,71,082	36.86
PHYSICAL	9	13,227	0.09	9	13,227	0.09
TOTAL	21,298	1,48,43,230	100.00	23,041	1,48,43,230	100.00

Address for Correspondence:

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 Address: cs@arssgroup.in

Code of Conduct

The Code of Conduct (hereinafter referred to as 'Code') is applicable to all its Board Members and Senior Management Personnel of the Company. A Code of Conduct for the Directors and Senior Management Personnel has already been approved by the Board of Directors of the Company. All Board Members and Senior Management Personnel had affirmed compliance with the Code during the year and no violation of the same was reported. A declaration to the effect that all Board Members and Senior Management Personnel have complied with the Code during the financial year 2014-15, duly signed by Managing Director of the Company is herein below enclosed. The Code has also been posted on the Company's Web-site.

Affirmation of Compliance with the Code of Conduct for Board Members and Senior Management Personnel

I, Rajesh Agarwal, Managing Director of ARSS Infrastructure Projects Limited, hereby declare that as stipulated under the provisions of sub-clause (II) E of Clause 49 of the Listing Agreement with stock exchanges, all the Directors and the designated personnel in the Senior Management of the Company have affirmed compliance with the said code for the financial year ended March 31, 2015.

Place : Bhubaneswar
 Date : 07.08.2015

(Rajesh Agarwal)
 Managing Director

For and on behalf of the Board of Directors

Place : Bhubaneswar
 Date : The 7th day of August, 2015

(Subash Agarwal)
 Chairman

CEO/CFO CERTIFICATION

As required under Clause 49 IX of the listing agreement with the stock exchanges Mr. Rajesh Agarwal, Managing Director and Mr. S. K. Pattanaik, CFO certify to the Board.

To,

The Board of Directors

ARSS Infrastructure Projects Ltd.

Regd. Office: Sector-A, Zone-D, Plot No. -38

Mancheswar Industrial Estate,

Bhubaneswar - 751 010.

Orissa

Dear Sirs,

- A. 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, 2015 and certify that to the best of our knowledge and belief:
1. these Statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading.
 2. these Statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- B. 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.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.;
- D. We have indicated to the Auditors and the Audit committee;
1. Significant changes in internal control over financial reporting during the year;
 2. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 3. 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 system over financial reporting.

Place: - Bhubaneswar

Date: - The 7th day of August, 2015

(Rajesh Agarwal)

Managing Director

(S.K.Pattanaik)

CFO



**AUDITORS' CERTIFICATE OF COMPLIANCES WITH THE CORPORATE GOVERNANCE REQUIREMENT UNDER CLAUSE
49 OF THE LISTING AGREEMENT**

To,
The Members
ARSS Infrastructure Projects Limited

We have examined the compliance of Corporate Governance by **ARSS Infrastructure Projects Limited** for the year ended on 31st March, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

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

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

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

Place : Bhubaneswar

Date : The 7th day of August, 2015

For **Ajay B Garg.**

Chartered Accountants

(CA. **Ajay Garg**)

Proprietor

Membership. No 32528

Form No. MGT-9**EXTRACT OF ANNUAL RETURN**

As on the financial year ended on 31.03.2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

(i)	CIN	L14103OR2000PLC006230
(ii)	Registration Date	17/05/2000
(iii)	Name of the Company	ARSS Infrastructure Projects Limited
(iv)	Category / Sub-Category of the Company	Company Having Share Capital
(v)	Address of the Registered office and contact details	Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar-751 010, Odisha, India.
(vi)	Whether listed company	Yes
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Bigshare Services Private Limited E/2, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (e), Mumbai.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Construction related	452	100 %

PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

SL. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of Shares held	Applicable Section
1	ARSS Damoh-Hirapur Tolls Private limited Address: Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar- 751010.	U45201OR2011PTC013524	SUBSIDIARY COMPANY	99.74 %	2 (87)
2	ARSS Bus Terminal Pvt. Ltd. Address: 73, HIG, BDA Housing Complex, Ekamara Collage Square, Kapil Prasad, Bhubaneswar- 751002.	U63031OR2010PTC012372	SUBSIDIARY COMPANY	51.00 %	2 (87)
3	ARSS Developers Limited. Address: Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar- 751010.	U45209OR2007PLC009201	ASSOCIATE COMPANY	38.41%	2 (6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 01-April-2014]				No. of Shares held at the end of the year[As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual/ HUF	27,99,648	0	27,99,648	18.86	27,99,732	0	27,99,732	18.86	0.0006
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total A (1)	27,99,648	0	27,99,648	18.86	27,99,732	0	27,99,732	18.86	00.0006
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub Total A (2)	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A) (1)+(A)(2)	27,99,648	0	27,99,648	18.86	27,99,732	0	27,99,732	18.86	00.0006
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FII s	8502	0	8502	0.057	8502	0	0.057	0.00	0.00

Category of Shareholders	No. of Shares held at the beginning of the year[As on 01-April-2014]				No. of Shares held at the end of the year[As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1):-	8,502	0	8,502	0.057	8,502	0	0.057	0.00	0.00
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	29,96,340	0	29,96,340	20.18	29,42,085	0	29,42,085	19.82	(-0.36)
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	63,22,697	13,227	63,35,924	42.69	65,59,408	13,227	65,72,635	44.28	1.59
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	18,63,273	0	18,63,273	12.55	21,43,431	0	21,43,431	14.44	1.89
c) Others (specify)									
i) Non Resident Indians	6,73,806	0	6,73,806	4.54	2,56,472	0	2,56,472	1.73	(-2.81)
ii) Overseas Corporate Bodies	0	0	0	0.00	0	0	0	0	0.00
iii) Foreign Nationals	0	0	0	0.00	0	0	0	0	0.00
iv) Clearing Members	1,65,737	0	1,65,737	1.12	1,20,373	0	1,20,373	0.81	(-0.31)
v) Trusts	0	0	0	0.00	0	0	0	0.00	0.00
vi) Foreign Bodies	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(2):-	1,20,21,853	13,227	1,20,35,080	81.08	1,20,21,769	13,227	1,20,34,996	81.08	0.00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1,20,30,355	13,227	1,20,43,582	81.14	1,20,30,271	13,227	1,20,43,498	81.14	(0.0006)
C. Shares held by Custodian for GD ₹ & ADRs	0	0	0	0.00	0	0	0	0	0.00
Grand Total (A+B+C)	1,48,30,003	13,227	1,48,43,230	0.00	1,48,30,003	13,227	1,48,43,230	100.00	0.00

(ii) Shareholding of Promoters

Sl. No	Shareholder's Name	Shareholding at the beginning of the year (01.04.2014)			Share holding at the end of the year (31.03.2015)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Subash Agarwal	11,73,500	7.91	100.00	11,73,500	7.91	100.00	0.00
2	Mohanlal Agarwal	7,61,750	5.13	100.00	7,61,750	5.13	100.00	0.00
3	Rajesh Agarwal	3,56,000	2.40	100.00	3,56,000	2.40	100.00	0.00
4	Sunil Agarwal	65,398	0.44	100.00	65,398	0.44	100.00	0.00
5	Anil Agarwal	2,90,000	1.95	100.00	2,90,000	1.95	100.00	0.00
6	Megha Singla	75,000	0.51	0.00	0	0.00	0.00	(-0.51)
7	Shilpa Agarwal	75,000	0.51	0.00	75,000	0.00	0.00	0.00
8	Ramesh Prasad Agrawal	3,000	0.02	0.00	3,000	0.02	0.00	0.00
9	Ramdulari Agarwal	0	0.00	0.00	9	0.0001	0.00	0.0001
10	Sabita Agarwal	0	0.00	0.00	15	0.0001	0.00	0.0001
11	Sangita Agarwal	0	0.00	0.00	20	0.0001	0.00	0.0001
12	Sanju Agarwal	0	0.00	0.00	20	0.0001	0.00	0.0001
13	Seema Agarwal	0	0.00	0.00	20	0.0001	0.00	0.0001
14	Anita Singla	0	0.00	0.00	75,000	0.51	0.00	0.51
TOTAL		27,99,648	18.86	17.83	27,99,732	18.86	17.83	0.0005

(iii) Change in Promoters' Shareholding (lease specify, if there is no change)

Sr. No		Shareholding at the beginning of the year (01.04.2014)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year (01.01.2014)	27,99,648	18.86	27,99,732	18.86
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer / bonus/ sweat equity etc):	Annexure-1 Attached			
	At the end of the year(31.03.2015)	27,99,732	18.86	27,99,732	18.86

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GD₹ and AD₹:

Sr. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01.04.2014)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year (01.04.2014)	24,63,869	16.60	20,50,895	13.82
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Annexure-2 Attached			
3	At the end of the year (31.03.2015)	20,50,895	13.82	20,50,895	13.82

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year (01.04.2014)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year (01.04.2014)	15,29,620	10.31	15,29,620	10.31
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Annexure-3 Attached			
3	At the end of the year (31.03.2015)	15,29,620	10.31	15,29,620	10.31

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ In Lacks)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2014)				
i) Principal Amount	141,613.06	5,771.84	3,532.62	150,917.52
ii) Interest due but not paid	7,904.51	-	-	7,904.51
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	149,517.57	5,771.84	3,532.62	158,822.03
Change in Indebtedness during the financial year	-	-	-	-
* Addition	11,382.70	-	-	11,382.70
* Reduction	-	501.61	-	501.61
Net Change	11,382.70	(501.61)	-	10,881.09

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the end of the financial year (31.03.2015)	-	-	-	-
i) Principal Amount	144,978.79	5,270.24	3,532.62	153,781.64
ii) Interest due but not paid	15,921.49	-	-	15,921.49
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	160,900.27	5,270.24	3,532.62	169,703.12

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A) Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ In Lacs)

Sr. No	Particulars of Remuneration	Name of MD, WTD OR MANAGER			Total Amount (₹ In Lacs)
		Mr. Subash Agarwal , (Executive Chairman)	Mr. Rajesh Agarwal , (Managing Director)	Mr. Soumendra Keshari Pattanaik, (WTD- Director Finance)	
1	Gross salary	27.00	21.00	18.00	66.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	27.00	21.00	18.00	66.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission - as % of profit - others, specify...	NIL	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL	NIL
	Total (A)	27.00	21.00	18.00	66.00
	Ceiling as per the Act Ceiling of 5% of the net profit for each managerial personal i.e. ₹ 34.00 lacs per MP) Collective ceiling of 10 % of the net profit i.e. 68.80 lacs for all the 3 managerial personal)	-	-	-	68.80

B. Remuneration to other directors:

(₹ In Lacs)

Sr. No	Particulars of Remuneration	Name of Directors						Total Amount (₹ In Lacs)
		Mr. S.C. Parija	Mr.U.N. Challu	Ms. Rima Dhawan	Mr. B. K. Makhija	Mr. K.C. Rout	Mr.B.K. Mishra	
1	Independent Directors							
	Fee for attending board committee meetings	3.60	3.40	0.40	0.00	-	-	7.40
	Commission	-	-	-	-	-	-	-
	Others, please specify (Incidental exp. For attending meetings)	0.25	0.20	0.10	0.00	-	-	0.55
	Total (1)	3.85	3.60	0.50	0.00	-	-	7.95
2	Other Non-Executive Directors (ND)							-
	Fee for attending board committee meetings	-	-	-	-	3.40	0.80	4.20
	Commission	-	-	-	-	Nil	Nil	-
	Others, please specify (Incidental exp. For attending meetings)	-	-	-	-	0.25	0.20	0.45
	Total (2)	-	-	-	-	3.65	1.00	4.65
	Total (B)=(1+2)	3.85	3.60	0.50	0.00	3.65	1.00	12.60
	Total Managerial Remuneration	-	-	-	-	-	-	NIL
	Overall Ceiling as per the Act	-	-	-	-	-	-	6.88

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/W.T.D

Sr. No	Particular Remuneration	Key Managerial Personnel		
		Mr. Sushant Pradhan (Company Secretary) From 1 st April, 2014 to 30 th September, 2014)	Ms. Alka Khemka (Company Secretary) From 1 st November, 2014 to 31 st March, 2015	Total (₹ In Lacs)
1	Gross Salary			
a	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2.40	2.50	4.90
b	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
c	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission as % of profit - others, specify	-	-	-
5	Others, please specify	-	-	-
	TOTAL	2.40	2.50	4.90

* Since Mr. S. K. Pattanaik was appointed as CFO w.e.f. 31st March, 2015, no remuneration paid in the financial year 2014-15.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY: NIL					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS: NIL					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT: NIL					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Annexure-1
ARSS INFRASTRUCTURE PROJECTS LIMITED

SL.NO	NAME OF SHAREHOLDER	DATE OF PURCHASE	NO OF SHARES
1	RAMDULARI AGARWAL	12-Nov-14	9
2	SANJU AGARWAL	16-Jul-14	20
3	SEEMA AGARWAL	16-Jul-14	20
4	SANGITA AGARWAL	16-Jul-14	20
5	SABITA AGARWAL	21-Jul-14	15
TOTAL			84

Annexure-2
ARSS INFRASTRUCTURE PROJECTS LIMITED
TOP TEN SHARE HOLDERS LIST AS ON 31.03.2014

SL.NO	SHAREHOLDERS NAME	NO. OF SHARES	% OF TOTAL
1	SREI EQUIPMENT FINANCE PRIVATE LIMITED	6,00,000	4.04%
2	SATHYAMOORTHY DEVARAJULU	5,40,000	3.64%
3	TAO BUILDERS AND DEVELOPERS PVT LTD.	3,43,000	2.31%
4	BOMBAY CABLE CO. PVT. LTD.	2,00,000	1.35%
5	ANITA CHAINRAI	1,92,500	1.30%
6	BALRAM CHAINRAI	1,80,705	1.22%
7	MENTOR CAPITAL LIMITED	1,22,318	0.82%
8	GANDLURU SATISHREDDY	1,21,921	0.82%
9	KARVY STOCK BROKING LTD	85,741	0.58%
10	MASTER CAPITAL SERVICES LTD	77,684	0.52%
TOTAL		24,63,869	16.60%

ARSS INFRASTRUCTURE PROJECTS LIMITED

TOP TEN SHARE HOLDERS LIST AS ON 31.03.2015

SL.NO	SHAREHOLDERS NAME	NO. OF SHARES	% OF TOTAL
1	SATHYAMOORTHY DEVARAJULU	5,40,000	3.64%
2	TAO BUILDERS AND DEVELOPERS PVT LTD.	3,43,000	2.31%
3	SREI EQUIPMENT FINANCE LIMITED	3,05,000	2.05%
4	BOMBAY CABLE CO. PVT. LTD.	2,00,000	1.35%
5	OJASVI INFRASTRUCTURE PRIVATE LIMITED	1,27,400	0.86%
6	MENTOR CAPITAL LIMITED	1,22,318	0.82%
7	GANDLURU SATISHREDDY	1,21,921	0.82%
8	BONANZA PORTFOLIO LTD	1,05,322	0.71%
9	KARVY STOCK BROKING LTD	1,02,093	0.69%
10	OJASVI PROJECTS PRIVATE LIMITED	83,841	0.56%
TOTAL		20,50,895	13.82%

Annexure- 3

ARSS INFRASTRUCTURE PROJECTS LIMITED

SHAREHOLDERS LIST OF (DIRECTORS AND KEY MANAGERIAL PERSONAL) AS ON 31.03.2014

SL.NO	SHAREHOLDERS NAME	DESIGNATION	NO. OF SHARES	% OF TOTAL
1	SUBASH AGARWAL	CHAIRMAN	11,73,500	7.91%
2	RAJESH AGARWAL	MANAGING DIRECTOR	3,56,000	2.40%
3	SOUMENDRA KESHARI PATTANAİK	DIRECTOR(FINANCE)	120	0.001%
TOTAL			15,29,620	10.31%

ARSS INFRASTRUCTURE PROJECTS LIMITED

SHAREHOLDERS LIST OF (DIRECTORS AND KEY MANAGERIAL PERSONAL)AS ON 31.03.2015

SL.NO	SHAREHOLDERS NAME	DESIGNATION	NO. OF SHARES	% OF TOTAL
1	SUBASH AGARWAL	CHAIRMAN	11,73,500	7.91%
2	RAJESH AGARWAL	MANAGING DIRECTOR	3,56,000	2.40%
3	SOUMENDRA KESHARI PATTANAİK	CFO	120	0.0008%
TOTAL			15,29,620	10.31%

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
ARSS Infrastructure Projects Limited
Plot No. 38, Sector A, Zone D,
Mancheswar Industrial Estate,
Bhubaneswar.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ARSS Infrastructure Projects Limited, (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms, and returns filed and other records maintained by the Company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31' March, 2015 complied with the statutory provisions listed hereunder and also that the company has proper Board-processes listed and compliance -mechanism in place to the extent in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms, and returns filed and other records maintained by ARSS Infrastructure Projects Limited ("the company") for the financial year ended on 31" March, 2015 according to the provisions of:

- (i) The Companies Act , 2013 (the Act) and the rules made thereunder :
- (ii) The Securities Contracts (Regulation) Act, 1956 (`SCRA') and the rules made thereunder;
- (iii) The Depositories Act , 1996 and the Regulations and Bye-laws framed thereunder :
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings :
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India , 1992 (`SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 2011
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
 - (d) The Securities and Exchange Board of India (Issue of Capital (Employee Stock Option Scheme and Employee Stock purchase Scheme) Guidelines, 1999 ;
 - (e) The Securities and Exchange Board of India (Issue and listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 the Companies Act and dealing with Client ;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) The Employees Provident Fund and Miscellaneous Provisions Act, 1952, other applicable Labour Laws and laws specifically applicable to the Company like :

- a. The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 and Rules framed there under.
- b. The Building & Other Construction Workers' Welfare Cess Act, 1996 and rules framed there under.
- c. The Contract Labour (Regulation & Abolition) Act, 1970 & Contract Labour Central Rules.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India. (Was not applicable mandatorily till the end of the financial year, 2015)
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange and National Stock Exchange.

During the period under review the company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above except to the extent as mentioned below :

- i. After implementation of amended Clause 49, of the Listing Agreement w.e.f 01.10.14, the Company which had proper balance of Executive, Non-executive and Independent Directors fell short by 1 number of Independent Director bringing the total number to 3 instead of 4 numbers of independent directors. But the same was complied by month of May, 2015.
- ii. The statutory dues Provident Fund, ESI, VAT, Entry Tax, Service Tax and TDS are generally deposited after due dates. So proper care should be taken to ensure timely deposit of all statutory dues.

We further report that

The Board of Directors of the company was duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors up to 30.09.2014. After implementation of amended Clause 49 of the listing agreement w.e.f 01.10.14 the Company could not appoint one more independent director to fulfill the amended criteria till the end of the financial year 2015. The Changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.

Place : Bhubaneswar

Date : 6th August, 2015

For **Sunita Mohanty & Associates**

Name of the Company Secretary in Practice

CS. Jyotirmoy Mishra

FCS No. 6556

CP No. 6022

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

To,

The Members

ARSS Infrastructure Projects Limited

Plot No. 38, Sector A, Zone D,

Mancheswar Industrial Estate,

Bhubaneswar.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Bhubaneswar

Date : 6th August, 2015

For **Sunita Mohanty & Associates**

Name of the Company Secretary in Practice

CS. Jyotirmoy Mishra

FCS No. 6556

CP No. 6022

FORM AOC-2

(Pursuant to clause (h) of Sub-Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso is given below:

1. Details of contracts or arrangements or transactions not at Arm's length basis:

Sr. No	Particulars	Details
(a)	Name (s) of the related party & nature of relationship	NIL
(b)	Nature of contracts/arrangements/transaction	NIL
(c)	Duration of the contracts/arrangements /transaction	NIL
(d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NIL
(e)	Justification for entering into such contracts or arrangements or transactions	NIL
(f)	Date of approval by the Board	NIL
(g)	Amount paid as advances, if any	NIL
(h)	Date on which the special resolution was passed in General meeting as required Nil under first proviso to section 188	NIL

2. (a). Details of contracts or arrangements or transactions at Arm's length basis with Group Companies.

(₹ In Crores)

SI. No	Particulars	Details					
		Shivam Condev Pvt. Ltd. (Director's Relative)	Shivam Condev Pvt. Ltd. (Director's Relative)	Shivam Condev Pvt. Ltd. (Director's Relative)	Shivam Condev Pvt. Ltd. (Director's Relative)	ARSS Developers Ltd. (Associate Company)	ARSS Damo Hirapur Tolls Pvt. Ltd. (Subsidiary Company)
(a)	Name (s) of the related party & nature of relationship	Shivam Condev Pvt. Ltd. (Director's Relative)	Shivam Condev Pvt. Ltd. (Director's Relative)	Shivam Condev Pvt. Ltd. (Director's Relative)	Shivam Condev Pvt. Ltd. (Director's Relative)	ARSS Developers Ltd. (Associate Company)	ARSS Damo Hirapur Tolls Pvt. Ltd. (Subsidiary Company)
(b)	Nature of contracts/ arrangements/ transaction	Material Sold	Sub contract given	House rent	Used Assets sold	Sub Contract given	Sub contract received
(c)	Duration of the contracts/ arrangements / transaction	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing
(d)	Salient terms of the contracts or arrangements or transactions including the value , if any	43.47	34.95	0.12	18.47	0.63	49.67
(e)	Date of approval by the Members (ratified by the board)	18 th July, 2014	18 th July, 2014	18 th July, 2014	18 th July, 2014	18 th July, 2014	18 th July, 2014
(f)	Amount paid as advance, if any (₹ In Crores)	Nil	Nil	Nil	Nil	Nil	Nil

(b). Details of contracts or arrangements or transactions at Arm's length basis with Joint ventures.

(₹ In Crores)

Sl. No	Particulars	Details						
		ARSS-ANPR JV	Niraj-ARSS JV	ARSS-Atlanta JV	ARSS-GVR JV	Atlanta-Arss jv	Patel-Arss jv	HCIL-Adhikaria-Arss jv
(a)	Name (s) of the related party & nature of relationship							
(b)	Nature of contracts/ arrangements/ transaction	Sub contract received	Sub contract received	Sub contract received	Sub contract received	Sub contract received	Sub contract received	Sub contract received
(c)	Duration of the contracts/ arrangements /transaction	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing
(d)	Salient terms of the contracts or arrangements or transactions including the value , if any	0.45	11.11	16.91	15.44	37.38	0.43	5.68
(e)	Date of approval by the Members (ratified by the board)	18 th July, 2014	18 th July, 2014	18 th July, 2014	18 th July, 2014	18 th July, 2014	18 th July, 2014	18 th July, 2014
(f)	Amount paid as advance, if any (₹ In Crores)	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(c). Details of Remuneration to Directors / their relatives (at place of profit)

(₹ in Lacks)

Sl. No	Particulars	Details				
		Mr. Subash Agarwal (Chairman)	Mr. Rajesh Agarwal (Managing Director)	Mr. Anil Agarwal (Sr. Vice President, COO)	Mr. Sunil Agarwal (President, CEO)	Mr. S. K. Pattanaik (CFO, Ex-Director Finance)
(a)	Name (s) of the related party & nature of relationship					
(b)	Nature of contracts/ arrangements/ transaction	Remuneration	Remuneration	Remuneration	Remuneration	Remuneration
(c)	Duration of the contracts/ arrangements / transaction	Up-to 15 th August, 2018	Up-to 31 st March, 2016	Ongoing	Ongoing	Ongoing
(d)	Salient terms of the contracts or arrangements or transactions including the value , if any	27.00	21.00	36.00	36.00	18.00
(e)	Date of approval by the Members (ratified by the board)	27 th September, 2013	24 th September, 2011	28 th December, 2007	28 th December, 2007	24 th September, 2011
(f)	Amount paid as advance, if any (₹ In Lacks)	Nil	Nil	Nil	Nil	Nil

Independent Auditor's Report

To
The Members of ARSS Infrastructure Projects Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of ARSS Infrastructure Projects Limited ('the Company'), which comprise the balance sheet as at 31st March 2015, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 qualified audit opinion on the standalone financial statements.

Basis for Qualified Opinion

1. In absence of relevant records, Contract-wise surplus/loss has neither been ascertained nor recognized in compliance with the requirements of para 34 and 35 of AS-7 "Construction Contracts" issued by the Institute of Chartered Accountants of India.
2. Interest for the year amounting to ₹ 317.94 lakhs on inter corporate deposits received has not been charged to the Profit & Loss account resulting in overstatement of profit to that extent.
3. In the absence of accounts of ARSS Balajee JV and ARSS-MVPL JV, discrepancies, if any, between the said accounts with that of the Company is not ascertainable.
4. No provision has been made against performance bank guarantee invoked amounting to ₹82.83 Crores against the Company and the same is disputed by Company.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in sub para 2 and 4 and for possible effect of the matter described in sub para 1 and 3 in the Basis for Qualified Opinion paragraph above, the aforesaid standalone 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, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) we have sought and, except for the matter described in sub-paragraph 1 and 3 of Basis of Qualified Opinion above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid standalone financial statements.
 - (b) in our opinion, except for the effects of the matter described in sub para 2 and 4 and for possible effect of the matter described in sub para 1 and 3 in the Basis for Qualified Opinion paragraph above, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, except for the effects of the matter described in sub para 2 and 4 and for possible effect of the matter described in sub para 1 and 3 in the Basis for Qualified Opinion paragraph above, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) on the basis of the written representations received from the directors as on 31st March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
 - (f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
 - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements, Refer Note No. 29, 31, 35, and 37 to the financial statements;
 - ii. the Company did not have any Long term contract including derivatives contract as such the question of commenting on any material foreseeable losses thereon does not arise.
 - iii. There has been not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

For **Ajay B Garg**
Chartered Accountant

A Garg
Proprietor
Mem No 32538

Place : Bhubaneswar
Dated : 12th May, 2015

Annexure to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2015, we report that:

(i) FIXED ASSETS

- a. The Company has maintained proper records showing particulars, including quantitative details and situation of fixed assets.
- b. The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(ii) INVENTORIES

- a. As explained to us, the inventories have been physically verified during the year by the management. In our opinion, having regard to the nature and location of stocks, the frequency of the physical verification is reasonable.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. In our opinion, the Company is maintaining proper records of inventory and the discrepancies noticed on physical verification of the same were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account;

(iii) LOAN GIVEN

- a. The Company has granted loans amounting to ₹9.73 Lakhs to one bodies corporate covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act').
- b. In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the interest as stipulated. The terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand. Accordingly, paragraph 4(iii)(c) of the Order is not applicable to the Company in respect of repayment of the principal amount.
- c. There are no overdue amounts of more than rupees one lakh in respect of the loans granted to the bodies corporate listed in the register maintained under Section 189 of the Act.

(iv) INTERNAL CONTROL

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 with regard to purchase of inventories and fixed assets and sale of goods and services. We have not observed any major weakness in the internal control system during the course of the audit.

(v) DEPOSITS FROM PUBLIC

The Company has not accepted any deposits from the public, hence the compliance of directives issued by Reserve Bank of India and the provisions of Section 73 to 76 of the Companies Act 2013 and rules framed thereunder are not applicable.

(vi) COST ACCOUNTING RECORDS

We have broadly reviewed the books of accounts maintained by the Company pursuant to the Companies (Cost records and audit) Rules 2014 and as prescribed by the Central Government under Section 148(1) of the Act and are of the opinion that *prima-facie*, the prescribed accounts and cost records have been made and maintained by the Company. We have not however made a detailed examination of the cost records with a view to determining whether they are accurate or complete.

(vii) STATUTORY DUES

- a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident

fund, income tax, sales tax, wealth tax, duty of excise, service tax, duty of customs, employees' state insurance, value added tax, cess and other material statutory dues have been regularly deposited with few delay in some cases during the year by the Company with the appropriate authorities.

- b. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of excise, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31st March 2015 for a period of more than six months from the date they became payable except TDS of ₹ 6,01,31,813/- and Entry Tax of ₹1,16,09,250/-
- c. According to the information and explanations given to us, there are no material dues of wealth tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, sales tax, service tax and value added tax have not been deposited by the Company on account of disputes:

Name of the statute	Nature of dues	Amount (in Lakhs.)	Forum where dispute is pending
Orissa Sales Tax Act	Sales Tax	117.19	Commissioner of Commercial Tax
Orissa Entry Tax Act	Entry Tax	34.44	Commissioner of Commercial Tax
Central Sales Tax Act	Sales Tax	791.10	Commissioner of Commercial Tax
Income Tax Act	Income Tax	5469.84	ITAT (Cuttack)
Income Tax Act	TDS	13.29	CIT (A)

- d. According to the information and explanations given to us there are no amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under.

(viii) IN RESPECT OF LOSSES

The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.

(ix) REPAYMENT OF DUES

Based on our Audit procedures and according to information and explanation given to us, the Company has paid dues to banks with certain delay. The Company have overdue outstanding dues to financial institutions, banks or debenture holders as at 31st March 2015 amounting to ₹209.69 Crores.

(x) GUARANTEES GIVEN

In our opinion and according to the information and the explanations given to us, the Company has given guarantee for loans taken by others from banks or financial institutions amounting to ₹89.80 Crores, the terms and conditions whereof are not prejudicial to the interest of the Company.

(xi) END USE OF BORROWINGS

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.

(xii) FRAUDS

Based on the audit procedures performed for the purpose of reporting the true and fair view of financial statement and as per the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For **Ajay B Garg**
Chartered Accountant

A Garg
Proprietor
Mem No 32538

Place : Bhubaneswar
Dated : 12th May, 2015

Balance Sheet as at

	Notes	31.03.2015 ₹	31.03.2014 ₹
I Shareholders' Funds			
a Share Capital	1	298,432,300	298,432,300
b Reserves and Surplus	2	34,725,53,425	3,410,349,527
		3,770,985,725	3,708,781,827
II Non-Current Liabilities			
a Long Term borrowings	3	7,020,199,451	7,335,630,861
b Deferred Tax Liability (net)	4	295,276,970	314,301,950
		7,315,476,421	7,649,932,811
III Current Liabilities			
a Short Term Borrowings	5	8,625,118,592	7,218,725,896
b Trade Payables	6	871,894,736	1,105,112,640
c Other Current Liabilities	7	2,359,908,744	2,861,146,563
d Short Term Provisions	8	10,972,046	3,016,992
		11,867,894,118	11,188,002,090
TOTAL		22,954,356,264	22,546,716,727
ASSETS			
IV Non-current Assets			
a Fixed Assets			
i Tangible Assets	9	2,770,247,462	3,359,321,940
b Non-Current Investments	10	464,789,837	443,399,093
c Long Term Loans and advances	11	7,471,835,564	4,547,511,299
		10,706,872,862	8,350,232,332
V Current Assets			
a Inventories	12	5,824,010,278	5,806,012,992
b Trade Receivables	13	2,418,141,481	2,367,874,199
c Cash and Cash Equivalents	14	712,785,813	764,860,259
d Short term loans and advances	15	3,292,545,829	5,257,736,945
		12,247,483,401	14,196,484,395
TOTAL		22,954,356,264	22,546,716,727
VI Notes on Financial Statements	A		

As per our report of even date

For Ajay B Garg
Chartered Accountants

For and on behalf of the Board of Directors

(CA. Ajay B Garg)
Proprietor
M. No. 32538(Subash Agarwal)
Chairman(Rajesh Agarwal)
Mg. Director(S.K. Pattanaik)
C F O(Alka Khemka)
Company Secretary

Place : Bhubaneswar

Date : The 12th day of May, 2015

Statement of Profit and Loss for the Period ended on

	Notes	31.03.2015 ₹	31.03.2014 ₹
I Income			
a Revenue from operations	16	6,555,269,906	9,014,186,748
b Other Income	17	90,509,183	69,170,726
Total revenue (I)		6,645,779,089	9,083,357,474
II Expenses			
a Cost of raw material and components consumed	18	1,226,162,297	1,849,293,031
b (increase)/decrease in inventories of finished goods, work-in-progress and traded goods	19	63,819,482	756,469,753
c Employee benefits expense	20	259,469,328	265,486,955
d Depreciation and amortization expense	21	365,461,712	349,545,933
e Finance Cost	22	1,669,628,451	1,631,085,644
f Other expense	23	3,006,398,838	4,217,082,457
Total (II)		6,590,940,108	9,068,963,773
III Profit/(loss) before tax		54,838,981	14,393,701
Tax expenses			
Current tax		10,972,046	3,016,992
Tax of Earlier Years		688,016	-
Deferred tax		(19,024,980)	(5,305,010)
Total tax expenses		(7,364,918)	(2,288,018)
IV Profit/(loss) for the year from continuing operations		62,203,899	16,681,719
V Earnings per equity share	24		
Basic		4.19	1.12
Diluted		2.53	0.68
Computed on the basis of profit from continuing operations			
VI Notes on Financial Statements	A		

As per our report of even date

For Ajay B Garg
Chartered Accountants

For and on behalf of the Board of Directors

(CA. Ajay B Garg)
Proprietor
M. No. 32538

(Subash Agarwal)
Chairman

(Rajesh Agarwal)
Mg. Director

(S.K. Pattanaik)
C F O

(Alka Khemka)
Company Secretary

Place : Bhubaneswar

Date : The 12th day of May, 2015

Cash Flow Statement for the year ended on 31st March

	2015 (₹)	2014 (₹)
Cash flow from operating activities		
Profit before tax from continuing operations	54,838,981	14,393,701
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/amortization on continuing operation	365,461,712	349,545,933
Depreciation/amortization on sold Assets	(96,724,215)	(56,375,910)
Preliminary Expenses Written off	-	17,180,026
Loss/(profit) on sale of fixed assets	9,304,333	77,376,371
Interest expense	1,669,628,451	1,631,085,644
Operating profit before working capital changes	2,002,509,261	2,033,205,765
Movements in working capital:		
Increase/(decrease) in short-term Borrowings	1,406,392,696	1,936,189,938
Increase/(decrease) in Trade payables	(233,217,904)	239,712,508
Increase/(decrease) in other current liabilities	(501,237,819)	552,322,464
Increase/(decrease) in other long-term liabilities	(315,431,409)	(797,190,999)
Decrease/(increase) in trade receivables	(50,267,282)	(36,901,303)
Decrease/(increase) in inventories	(17,997,286)	817,916,722
Decrease/(increase) in short-term loans and advances	1,965,191,116	950,926,612
Decrease/(increase) in Long-term loans and advances	(2,924,324,265)	(4,419,471,203)
Cash generated from / (used in) operations	1,331,617,109	1,276,710,503
Direct taxes paid (net of refunds)	3,705,008	-
Net cash flow from/(used in) operating activities (A)	1,327,912,101	1,276,710,503
Cash flows from investing activities		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(8,484,420)	(4,921,028)
Proceeds from sale of fixed assets	319,517,069	189,454,993
Proceeds of non-current investments	(21,390,744)	(12,235,013)
Net cash flow from/(used in) investing activities (B)	2896,41,905	172,298,952
Cash flows from financing activities		
Proceeds from Share Capital	-	-
Interest paid	(1,669,628,451)	(1,631,085,644)
Net cash flow from/(used in) in financing activities	(1,669,628,451)	(1,631,085,644)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(52,074,445)	(182,076,189)
Cash and cash equivalents at the beginning of the year	764,860,259	946,936,448
Cash and cash equivalents at the end of the year	712,785,814	764,860,259
Components of cash and cash equivalents		
Cash on hand	4,192,671	2,820,330
Cheques / draft on hand		
With banks on current account	23,251,069	47,429,416
on deposit account	685,342,074	714,610,513
Total cash and cash equivalents	712,785,813	764,860,259

As per our report of even date

For Ajay B Garg

Chartered Accountants

(CA. Ajay B Garg)

Proprietor

M. No. 32538

(Subash Agarwal)

Chairman

For and on behalf of the Board of Directors

(Rajesh Agarwal)

Mg. Director

(S.K. Pattanaik)

C F O

(Alka Khemka)

Company Secretary

Place : Bhubaneswar

Date : The 12th day of May, 2015

A. SIGNIFICANT ACCOUNTING POLICIES.

1. Corporate Information

ARSS Infrastructure Projects Limited (the company) is a public company domiciled in India and incorporated under the provisions of the Companies Act 1956 read with Companies Act, 2013. Its shares are listed on two stock exchanges in India, namely BSE and NSE. The Company is engaged in execution of contracts of various infrastructure projects including road work, bridge work, railway tracking and irrigation projects.

2. Basis of Preparation

The financial statements are prepared on an accrual basis and under the historical cost convention in accordance with generally accepted accounting principles in India [Indian GAAP]. The Company has prepared these financial statements to comply in all material respects with the accounting standards issued by the Institute of Chartered Accountants of India, as applicable and prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules,2014, the provisions of the Act (to the extent notified).

Except otherwise mentioned the accounting policies adopted in the preparation of financial statements are consistent with those of previous year. Also due to the peculiar nature of the business and uncertainties in the segment in which the company is operating, various issues have evolved requiring interpretation and clarifications. The Company is making substantial effort on an ongoing basis to improve reporting and disclosure in financial statement wherever required to comply with relevant law, rules and regulations.

3. Summary of Significant Accounting Policies

a. Use of Estimates

In preparing the financial statements in conformity with accounting principles generally accepted in India, Management is required to make estimates and assumption that affect the reported amounts of assets and liabilities as at the date of the financial statements and the amounts of revenue and expenses during the reported period. Actual results could differ from those estimates. Difference between the actual results and estimates is recognised in the period in which the actual results are known / materialized.

b. Tangible 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.

Self constructed assets are capitalized at cost including an appropriate share of overhead.

c. Depreciation on Tangible Fixed Assets

Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets as estimated by the Management. The Management estimates the useful lives for the fixed assets as follows:

Particular	Rate of Depreciation *	Useful Life *
Building (Factory)	3.17%	30 Years
Building (Non Factory)	1.58%	60 Years
Plant and Equipment (Earth Moving)	10.56%	9 Years
Plant and Equipment (Non Earth Moving)	6.33%	15 Years
Furniture and fixtures	9.50%	10 Years
Vehicles	11.88%	8 Years
Computer	31.67%	3 Years

* Rate of Depreciation is arrived by considering further useful life for existing assets as on 01.04.2014 as per Technician Certificates or from the date of acquisition for other assets and Residual Value at 5% of cost.

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

d. Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of such asset till such time the asset is ready for its intended use or sale. All other borrowing costs are recognized as an expense in the period in which they are incurred.

e. Investments

The Investments that are readily realizable and intended to be held for not more than a year from the Balance Sheet date are classified as current investments. All other investments are classified as non-current investments. On initial recognition, all investments are recognised at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried at the lower of cost and quoted/fair value, computed category wise. Long term investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management.

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

f. Sundry Debtors / Loans and Advances:

Sundry Debtors / Loans and Advances are stated net of provision for identified doubtful debts / advances wherever necessary. Sundry Debtors and Loans and Advances has been taken at reconciled amount for the parties from which the balance confirmation was received and for the rest Debtors and balances are taken as per book balance and are subject to adjustment and reconciliation, if any which will be done on receipts of confirmation from such parties. In the opinion of the management on which we have placed reliance, substantial part of Debtors and advances are outstanding for a period exceeding six months and they are subject to arbitration and other reconciliatory proceedings, the outcome and quantum of which is not ascertainable and determined, and subject to reconciliations referred to above, the debtors and Loans and advances to the extent as stated are considered good in the Balance Sheet.

g. Impairment of Assets:

As at each balance sheet date, the carrying amount of assets is tested for impairment so as to determine:

- The provision for impairment loss required, if any, or
- The reversal required of impairment loss recognised in previous periods, if any,

Impairment loss is recognised when the carrying amount of asset exceeds its recoverable amount.

Recoverable amount is determined in the case of an individual asset, at higher of net selling price and the value in use.

h. Accounting for Joint Ventures Contracts

- i. Contracts executed in Joint Venture under work sharing arrangement (consortium) are accounted for in accordance with the accounting policy followed by the Company as that of an independent contract to the extent work is executed.
- ii. In respect of contracts executed in Integrated Joint Ventures under profit sharing arrangement (assessed as AOP under Income Tax Laws), the services rendered to the Joint Ventures are accounted for as income on accrual basis. The profit / Loss is accounted for, as and when it is determined by the Joint Venture and the net investment in the Joint Venture is reflected as investments, loans and advances or current liabilities.

i. 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 progress has been determined by the Management at the estimated realizable value. The value of work in progress comprises of value of materials and expenses incurred at site including estimated profits thereon in terms of guidelines provided under Accounting Standards AS 7 on Construction Contracts.

j. Revenue Recognition

Contract Receipt / Construction Contract :

In respect of Construction contracts and in manner specified under Accounting Standard AS-7 on Construction Contracts, Revenue is recognized on Stage of Completion Method based on the Bills submitted, certified and sanctioned by the appropriate authorities and Work completed and Uncertified Bills for work executed on the Project and does not include material supplied by the clients free of cost. The relevant cost is recognized in accounts in the year of recognition of the revenue. The total costs of contract are estimated by Company and are based on technical and other estimates and assumptions.

The Company's financial position is subject to strict conditions imposed by Banks implementing CDR programme, resultantly the performance and execution of the projects at times is affected. In case of premature termination of contract there is uncertainty in the outcome of the Projects.

Hence in terms of para 34 of the AS-7, Company has recognized contract revenue and contract cost which is direct cost specifically identifiable and directly attributable to the specific contract in accordance with para 31 instead of para 21, i.e. contract revenue to the extent of cost incurred of which recovery is probable and contract cost in the period in which they are incurred. Also based on the above, an expected loss, if any to the extent as identified and quantified, is recognized as an expenses immediately in accordance with para 35.

Further apportionment and allocation of combined Operating overhead, Head office overhead, General overhead and Finance cost do not commensurate with size, nature and duration of projects being executed and hence the company is unable to specifically determine project wise profitability. Also adequate disclosure in terms of para 38, 39 and 41 of AS-7 have been made in accounts under relevant head/notes.

Other Income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Dividend income recognized as and when right to receive established. All other income is recognized on accrual basis

k. Taxes on Income

The Tax expenses comprise of current tax and deferred tax charged or credited to the profit and loss account for the year. Current tax is calculated in accordance with the tax laws applicable to the current financial year. The deferred tax charge or credit is recognized using the tax rates and tax laws that have been enacted by the Balance Sheet date. Where there are unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future. At each Balance Sheet date, recognized and unrecognized deferred tax assets are reviewed.

l. Employee Benefits

i. Defined contribution plans

Contributions paid/payable to defined contribution plans comprising of provident fund are recognized as expenses during the period in which the employees perform the services that the payments cover.

The Company makes monthly contributions and has no further obligations under the plan beyond its contributions.

ii Defined benefit plan

Gratuity for employees is covered under a scheme of SBI Life Insurance and contributions in respect of such scheme are recognized in the Profit and Loss Account. The liability as at the Balance Sheet date is provided for based on the actuarial valuation, at the Balance Sheet date, carried out by an independent actuary. Actuarial gains and losses comprise experience adjustments and the effect of changes in the actuarial assumptions and are recognized immediately in the Profit and Loss account as income or expense. Actuarial valuation is independently done by SBI Life Insurance Company Ltd and company has based its provisions the same. Financial effects of changes in those plans during the period in terms of para 119 of AS-15 are as disclosed and recognised in Profit and Loss Accounts. Insurance Company has provided detail working of actuarial valuation as required for disclosure in terms of para 119 & para 120 of AS-15 Employee's Benefits is as follows:

a. Assumptions and data considered for valuation:

Discount Rate	8.00%
Salary Escalation Rate for first 5 year	10.00%
Salary Escalation Rate thereafter	5.00%
Attrition Rate	15.00%
Mortality Rate	Indian Assured Lives Mortality (2006-08) Ultimate
Actuarial Valuation Method	Projected Unit Credit Method
Retirement Age	60 years
Benefits	As per Payment of Gratuity Act

b. Expense recognized in the statement of Profit and Loss account:

Particulars	Amount (Rs.)
Current Service Cost	18,68,146/-
Insurance for Life Cover	1,16,747/-
Increase in Fair value of Fund Balance (Assets)	10,66,570/-
Expense/(income) to be recognized in the statement of Profit and Loss account	9,18,323/-
Current Service Cost (As % of Annual Wages Bill)	3.85%

c. Movements in the Liability recognized in Balance Sheet ::

Particulars	Amount (Rs.)
Past Service Liability	1,02,27,633
Current Service Cost	18,68,146/-
Insurance for Life Cover	1,16,747/-
Contribution paid to Fund	9,18,323/-
Liability as on 31.03.2015	1,12,94,203/-
Policy Account Value / Fund Balance (Assets) as on 31.03.2015	1,12,94,203/-
Net Asset/(Liability) to be recognized in the balance sheet	Nil

iii. Short term employee benefits

Short term employee benefits including compensated absences as at the Balance Sheet date are recognized as an expense as and when it paid.

m. Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent Liabilities are not recognized but are disclosed in the notes to accounts. Disputed demands in respect of Central Excise, VAT, Income Tax and Sales Tax are disclosed as Contingent Liabilities. Payment in respect of such demands, if any, is shown as advance, till the final outcome of the matter. Contingent Assets are neither recognized nor disclosed in the financial statements..

n. Earning per share :

Basic earning per share is calculated by dividing the net profit or loss for the period attributable to equity share holders by the weighted average no. of equity shares outstanding during the period. The weighted average no. of equity shares outstanding during the period is adjusted for events of shares split.

For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to the equity share holders and weighted average no. of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

o. 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.

A Notes on financial statements

1. Share Capital	31.03.2015	31.03.2014
	₹	₹
Authorized shares:		
3,00,00,000 (P.Y. 3,00,00,000)		
equity shares of ₹10/- each	<u>300,000,000</u>	<u>300,000,000</u>
2,50,00,000 (P.Y. 2,50,00,000)		
Preference shares of ₹10/- each	<u>250,000,000</u>	<u>250,000,000</u>
Issued , Subscribed & Paid-up		
Equity shares, ₹ 10/- par value		
1,48,43,230 equity shares		
of ₹10/- each fully paid-up	148,432,300	148,432,300
Preference shares		
1,50,00,000 (P.Y. 1,50,00,000)		
Preference Shares of ₹10/- each fully paid up	<u>150,000,000</u>	150,000,000
	<u>298,432,300</u>	<u>298,432,300</u>

i. 1,00,000 equity shares out of issued, subscribed and paid up equity share capital were issued for consideration other than cash in the financial year 2007-08 as against transfer of a plot of land in favour of the company.

ii. No buyback or bonus issue of shares has been made during last five year

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares

	31 st March 2015		31 st March 2014	
	No. of Shares	₹	No. of Shares	₹
At the beginning of the Period	14,843,230	148,432,300	14,843,230	148,432,300
Issued during the peirod				
Outstanding at the end of the period	<u>14,843,230</u>	<u>148,432,300</u>	<u>14,843,230</u>	<u>148,432,300</u>

Preference shares

	31 st March 2015		31 st March 2014	
	No. of Shares	₹	No. of Shares	₹
At the beginning of the Period	15,000,000	150,000,000	15,000,000	150,000,000
Issued during the peirod	-	-	-	-
Outstanding at the end of the period	<u>15,000,000</u>	<u>150,000,000</u>	<u>15,000,000</u>	<u>150,000,000</u>

b. Terms/right attached to equity shares

The company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian Rupees.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Directors has not proposed any dividend for the year 2014-15 due to CDR constraint.

c. Terms/right attached to Preference shares

The preference shares issued to the promoters are in accordance with the terms and conditions of the CDR package and do not carry any right of voting & dividend. These shares are neither transferable nor eligible for listing.

d. Details of shareholders holding more than 5% shares in the company

	31 st March 2015		31 st March 2014	
	No. of Shares	% Holding in the Class	No. of Shares	% Holding in the Class
Equity shares of ₹ 10/- each fully paid				
Subash Agarwal	1,173,500	7.91%	1,173,500	7.91%
Mohanlal Agarwal	761,750	5.13%	761,750	5.13%
	<u>1,935,250</u>	<u>13.04%</u>	<u>1,935,250</u>	<u>13.04%</u>
Preference shares of ₹. 10 /- each fully paid				
Rajesh Agarwal	838,860	5.59%	838,860	5.59%
Sidhant Financial Services Limited	12,450,000	83.00%	12,450,000	83.00%
	<u>13,288,860</u>	<u>88.59%</u>	<u>13,288,860</u>	<u>88.59%</u>

As per records of the company, including the Register of Members/ Shareholders and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal & beneficial ownerships of shares.

2. Reserves and Surplus

	31.03.2015	31.03.2014
	₹	₹
Securities Premium Account		
Balance as per last financial statements	1,473,634,700	1,473,634,700
Closing Balance	<u>1,473,634,700</u>	<u>1,473,634,700</u>
General Reserve		
Balance as per last financial statements	72,711,444	72,711,444
Closing Balance	<u>72,711,444</u>	<u>72,711,444</u>
Surplus /(deficit) in the statement of profit and loss		
Balance as per last financial statements	1,864,003,383	1,847,321,664
Profit/(Loss) for the year	62,203,899	16,681,720
Net surplus in the statement of profit and loss	<u>1,926,207,281</u>	<u>1,864,003,383</u>
Total Reserves and Surplus	<u>3,472,553,425</u>	<u>3,410,349,527</u>

3. Long-term borrowings

	Non-Current Portion		Current Maturities	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	₹	₹	₹	₹
Term loans				
Rupee Loan From banks (Secured)	5,690,300,177	6,116,598,600	759,091,712	415,677,085
Rupee Loan From NBFCs (secured)	1,329,899,275	1,219,032,261	565,902,672	912,169,502
Total	<u>7,020,199,451</u>	<u>7,335,630,861</u>	<u>1,324,994,384</u>	<u>1,327,846,587</u>

- a. Rupee loan from bank carries interest @ 10 % to 10.5% p.a. The loans are repayable in quarterly instalments from 01.10.2013. The above loans are secured by way of mortgage of land and building, assets acquired out of such loan and also backed by personal guarantee of Promoters.
- b. Rupee loan from NBFCs Carries interest @9% to 12% p.a and are repayable in monthly instalments. The above loans are secured by way of mortgage on assets acquired out of such loan. The Loans are repayable over 3 to 5 years.

- c. Term Loan (TL) under CDR and governed by Master Restructuring Agreement(MRA) dated 6th September 2012, with State Bank of India, Punjab National Bank, ICICI Bank Ltd., IDBI Bank Ltd., State Bank of Bikaner & Jaipur & Bank of India. The amount repayable is over a period from FY 2016-17 to 2020-21.
- d. This loan is secured by equitable mortgage of immovable property of the Company and promoters, pari-passu charge on plant & machinery of the company (excluding land & office flat & equipments on which other lenders are having first charge) and irrevocable and unconditional personal guarantees of the Directors and pledge of shares held by promoters in the Company.
- e. Interest rate for all term loan are subject to periodic review.
- f. Continuing Installment repayment default : Bank- ₹91.46 Crores and NBFC- ₹47.15 totaling ₹138.61 Crores.

4. Deferred Tax liability (Net)	31.03.2015	31.03.2014
	₹	₹
Opening Balance	314,301,950	319,606,960
Addition during the year	(19,024,980)	(5,305,010)
(For Timing difference on depreciation of Fixed assets)		
	<u>295,276,970</u>	<u>314,301,950</u>
5. Short-term borrowings		
a. Secured		
Cash credit loan from banks	7,744,833,398	6,288,279,881
b. Unsecured		
Loans from Related parties	497,323,382	549,477,782
Inter-corporate deposits	353,261,637	353,261,637
Working Capital Loan from NSIC	29,700,175	27,706,596
	<u>8,625,118,592</u>	<u>7,218,725,896</u>

Cash credit from banks is secured against hypothecation of stock and book debts and are backed by personal guarantee of promoters.

The Interest on Cash Credit Loan varies from 10% to 10.5% p.a. The Loan from NSIC carries interest @ 13.40% p.a. Loan from related parties is interest free. All the above loans are repayable on demand.

Interest on Inter Corporate deposits has not been charged as the same are under dispute and pending at different forums.

6. Trade Payables	31.03.2015	31.03.2014
	₹	₹
a) Trade Creditors	871,048,761	1,103,039,778
b) Sundry Creditor for Capital goods	845,975	2,072,862
	<u>871,894,736</u>	<u>1,105,112,640</u>

7. Other current liabilities		31.03.2015	31.03.2014
		₹	₹
a)	Current maturities of long-term borrowings	1,324,994,384	1,327,846,587
b)	Others		
i)	Creditors for Expenses	87,886,526	85,509,632
ii)	Unclaimed Dividend	-	56,062
iii)	Security Deposit	379,956,821	354,090,101
iv)	Mobilisation advance	225,332,142	995,804,467
v)	Advance Received	258,178,541	25,000,000
vi)	Statutory dues payable	83,560,331	72,839,714
		1,034,914,360	1,533,299,976
		2,359,908,744	2,861,146,563
8. Short Term Provisions		31.03.2015	31.03.2014
		₹	₹
a)	Provision for Taxation	10,972,046	3,016,992
		10,972,046	3,016,992

9 Tangible assets

	Land	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Computers	Total
Cost or valuation							
At 1st April 2013	74,015,265	34,696,191	4,757,505,006	16,089,724	206,390,245	29,576,835	5,118,273,266
Additions	-	-	4,740,328	-	-	180,700	4,921,028
Disposals	-	-	245,596,537	-	21,234,827	-	266,831,364
At 31st March 2014	74,015,265	34,696,191	4,516,648,797	16,089,724	185,155,418	29,757,535	4,856,362,930
Additions	3,642,200	2,000,000	2,499,270	260,150	-	82,800	8,484,420
Disposals	497,290	-	319,358,986	-	8,965,126	-	328,821,402
At 31st March 2015	77,160,175	36,696,191	4,199,789,081	16,349,874	176,190,292	29,840,335	4,536,025,948
Depreciation							
At 1st April 2013	-	2,256,752	1,102,724,142	3,879,855	78,884,612	16,125,606	1,203,870,967
Charge for the year	-	570,660	324,358,718	1,018,480	18,783,179	4,814,895	349,545,933
Disposals	-	-	47,115,376	-	9,260,534	-	56,375,910
At 31st March 2014	-	2,827,412	1,379,967,484	4,898,335	88,407,257	20,940,501	1,497,040,990
Charge for the Period	-	556,417	333,272,536	1,531,767	21,321,521	8,779,471	365,461,712
Disposals	-	-	91,608,580	-	5,115,635	-	96,724,215
At 31st March 2015	-	3,383,829	1,621,631,440	6,430,102	104,613,143	29,719,972	1,765,778,486
Net Block							
At 31st March 2014	74,015,265	31,868,779	3,136,681,313	11,191,389	96,748,161	8,817,034	3,359,321,940
At 31st March 2015	77,160,175	33,312,362	2,578,157,641	9,919,772	71,577,149	120,363	2,770,247,462

Note :

The rate of depreciation and useful life of assets is calculated as follows :

Particular	Rate of Depreciation *	Useful Life *
Building (Factory)	3.17%	30 Years
Building (Non Factory)	1.58%	60 Years
Plant and Equipment (Earth Moving)	10.56%	9 Years
Plant and Equipment (Non Earth Moving)	6.33%	15 Years
Furniture and fixtures	9.50%	10 Years
Vehicles	11.88%	8 Years
Computer	31.67%	3 Years

* Rate of Depreciation is arrived by considering useful life of assets as per Technicians Certificates and Residual Value at 5% of cost

10. Non-current investments	31.03.2015	31.03.2014
	₹	₹
A. Trade Investments (Valued at cost unless stated otherwise)		
Unquoted Equity instruments		
a) Investment in Subsidiaries		
i) 1,47,60,000 equity shares of ₹10/- Each at par in ARSS Damoh-Hirapur Tolls (P) Ltd. (99.73% holding)	147,600,000	147,600,000
ii) 95,00,000 equity shares of ₹10/- each at par in ARSS Bus Terminal (P) Ltd. (51% holding)	95,000,000	95,000,000
b) Investment in Companies under same management		
i) 2,50,000 equity shares of ₹10/- Each issued at a premium of ₹30/- in ARSS Developers Ltd.	100,000,000	100,000,000
ii) 4,999 equity shares of ₹10/- each in ARSS E to E Pvt. Ltd.	49,990	49,990
c) Investment in joint ventures (Ref. Note No- 27)	120,656,069	99,165,475
	463,306,059	441,815,465
B. Non-trade investments (valued at cost unless stated otherwise)		
a) In government and trust securities (Unquoted)		
i) 6 years National Savings Certificate deposited with sales tax dept. and other Government Authorities.	1,483,778	1,483,778
b) In other securities BOI AXA Mutual Fund	-	99,850
	1,483,778	1,583,628
Total	464,789,837	443,399,093
11 Long Term Loans and advances (unsecured Considered good)		
Share application money pending allotment	127,945,096	128,040,096
Claims Receivable (Ref. Sub Note.1 to Note No. 15)	7,343,890,468	4,419,471,203
	7,471,835,564	4,547,511,299
12. Inventories (As Certified by the management)		
Raw materials and components	419,954,807	335,983,457
Work-in-progress	3,470,505,702	3,521,778,382
Finished goods	1,897,630,067	1,910,176,869
Stores and spares	35,919,702	38,074,284
	5,824,010,278	5,806,012,992

13. Trade Receivables	31.03.2015	31.03.2014
	₹	₹
(Unsecured & considered good)		
Over Six months*		
From Related Parties	310,302,823	440,283,741
From Others	1,287,956,968	1,128,910,476
Others		
From Related Parties	575,329,424	405,780,502
From Others	244,552,266	392,899,480
	<u>2,418,141,481</u>	<u>2,367,874,199</u>

* Note : Trade receivables outstanding for over six months are slow moving and are considered good and realisable by Management.

14 Cash and cash equivalents	31.03.2015	31.03.2014
	₹	₹
Cash in hand	4,192,671	2,820,330
Balances with banks:		
In Current accounts	23,251,069	47,429,416
In Fixed deposits	685,342,074	714,610,513
	<u>712,785,813</u>	<u>764,860,259</u>

Fixed deposit with carrying amount of ₹ 68.53 crores including interest accrued on the same (31.03.2014 ₹71.46 crores) are pledged against bank guarantees as security deposit ,EMD and Margin account.

15. Short Term Loans and advances		
(unsecured Considered good)		
Capital advances	8,951,282	8,324,428
Security deposit	34,238,931	31,409,941
Other loans and advances		
Prepaid expenses	54,540,634	57,673,043
Loans to employees	21,528	91,000
Balances with Statutory / Government authorities	776,432,736	773,876,830
Claims Recievable *	1,233,028,478	2,924,419,265
Other Advances	1,185,332,241	1,461,942,438
	<u>3,292,545,829</u>	<u>5,257,736,945</u>

Notes:

- *Total Claimed Receivable amounting to ₹4430.32 Crores is under dispute / arbitration. Same are subject to the outcome of arbitration and /or Reconciliation proceedings arising out of various contractual obligations. The element of realisable profit and actual expenditure incurred has been considered and amount of ₹857.69 Crores is accounted based on reasonable certainty of realisation of the same and are considered good and realisable by the Management.
- Other Advance includes a sum of ₹9.73 lacs payable by the related party.

16 Revenue from operations	31.03.2015	31.03.2014
	₹	₹
Revenue from operations		
Sale of Services		
Contract Revenue	6,555,269,906	9,014,186,748
	6,555,269,906	9,014,186,748
17 Other income		
Interest income	64,142,244	58,760,948
Profit from Joint Ventures	9,066,088	9,575,634
Other non-operating income	17,300,851	834,144
	90,509,183	69,170,726
18 Cost of raw material consumed		
Inventory at the beginning of the year	374,057,741	435,504,710
Add: Purchases	1,307,979,065	1,787,846,062
	1,682,036,806	2,223,350,772
Less: inventory at the end of the year	455,874,509	374,057,741
cost of raw material and components consumed	1,226,162,297	1,849,293,031
19 (Increase)/decrease in inventories		
Inventories at the end of the year		
Work-in-progress	3,470,505,702	3,521,778,382
Finished goods	1,897,630,067	1,910,176,869
	5,368,135,769	5,431,955,251
Inventories at the beginning of the year		
Work-in-progress	3,521,778,382	4,171,677,226
Finished goods	1,910,176,869	2,016,747,778
	5,431,955,251	6,188,425,004
	63,819,482	756,469,753
20 Employee benefit expense		
Salaries, wages and bonus	247,048,666	251,575,044
Contribution to provident and other fund	6,210,850	11,932,021
Staff welfare expenses	6,209,812	1,979,890
	259,469,328	265,486,955
21 Depreciation and amortization expense		
Depreciation of tangible assets	365,461,712	349,545,933
	365,461,712	349,545,933

Note : A sum of ₹4,97,290 amortisation of Lease Hold Land is included in Depreciation.

22 Finance costs	31.03.2015	31.03.2014
	₹	₹
Interest	1,595,911,280	1,563,985,251
Bank charges	73,717,171	67,100,393
	<u>1,669,628,451</u>	<u>1,631,085,644</u>
23 Other expenses		
Operating Expenses		
Sub-contracting expenses	1,461,870,439	2,446,786,422
Power and fuel	556,869,256	653,398,462
Freight	48,474,069	51,881,990
Repair to Plant & Machineries	248,273,168	232,795,399
Wages	230,269,581	228,653,193
Royalty	57,483,482	88,380,501
Hire Charges	36,798,134	46,468,004
	<u>2,640,038,128</u>	<u>3,748,363,972</u>
Selling & Distribution Expenses		
Advertisement Expenses	734,872	714,255
Tender Expenses	15,838,564	996,533
Service Tax	84,183,415	99,929,973
VAT	85,363,870	88,834,176
Business Promotion	650,817	870,159
	<u>186,771,538</u>	<u>191,345,096</u>
Establishment Expenses		
Rent	8,311,693	8,118,593
Rates & Taxes	20,010,538	16,276,889
Insurance	28,271,969	41,522,939
Repairs to Others	1,737,501	1,137,499
Travelling and conveyance	22,789,644	13,620,552
Printing and stationery	2,136,132	1,105,508
Legal and professional fees	22,162,306	13,956,108
Directors' sitting fees	1,140,000	864,000
Payment to auditor	2,075,000	2,921,360
Loss on sale of fixed assets (net)	9,304,333	77,376,371
Director's Remuneration	6,600,000	12,600,000
Miscellaneous expenses	55,050,056	87,873,570
	<u>179,589,172</u>	<u>277,373,389</u>
	<u>3,006,398,838</u>	<u>4,217,082,457</u>
Note : Payment to Auditor includes :		
Audit fees	1,575,000	2,421,360
Tax Audit fees	500,000	500,000
	<u>2,075,000</u>	<u>2,921,360</u>

24 Earnings per share (EPS)	31.03.2015	31.03.2014
The following reflects the profit and share data used in the basic and diluted EPS computations:	₹	₹
Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	62,203,899	16,681,720
Weighted Average number of equity shares used as denominator for calculating EPS (Basic)	14,843,230	14,843,230
Weighted Average number of equity shares used as denominator for calculating EPS (Diluted) *	24,622,948	24,622,948
Basic Earning Per Share	4.19	1.12
Diluted Earning Per Share	2.53	0.68
Face Value per Equity Share	10.00	10.00

* 97,79,718 Equity Shares to be issue to Shareholder of 1,50,00,000 Preference Shares

25 Segment Reporting

The Company's operations predominantly consist of Civil Construction activities. Hence, there are no reportable segments under Accounting Standard - 17 'Segment Reporting' issued by the Institute of Chartered Accountants of India. During the year under report, substantial part of the Company's business has been carried out in India. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary.

26 Gratuity and other post-employment benefit plans

Gratuity for employees is covered under a scheme of SBI Life Insurance and contribution in respect of such scheme are recognised in the profit and loss account. Leave encashment provision has not been made for the year 2014-15 as same is accounted as and when it is paid.

27 Interest in a joint venture

The company discloses its investment in joint ventures at cost and recognises its share of profit/(loss) in the profit and loss account. The details of profit sharing ratio, investment as on 31.03.2015 and share of profit/(loss) in joint ventures are given below:

₹ In Lacs						
Sl. No	Name of the Joint Venture	Interest of the Company			Interest of Other Constituents	
		Profit %	Investment	Share of profit/(Loss)	Name	Profit %
1	ARSS-ANPR JV.	51	476,796	209,577	A.N.Prasad Rao	49
2	ARSS-HCIL Consortium	60	2,393,525	(218,436)	Harish Chandra India Ltd.	40
3	Niraj-ARSS JV.	60	4,354,150	(102,759)	Niraj Cement Structurals Ltd.	40
4	ARSS-Atlanta JV.	51	8,997,901	1,922,679	Atlanta Ltd.	49
5	ARSS-GVR JV.	51	1,353,441	355,040	Gvr Infra Projects Ltd	49
6	Atlanta-ARSS JV.	49	49,269,408	7,273,949	Atlanta Ltd.	51
7	ARSS-Triveni JV.	51	4,767,861	(397,886)	Triveni Engicons Pvt. Ltd.	49
8	Patel-ARSS JV.	49	5,181,482	33,578	Patel Engineers Ltd.	51
9	Backbone-ARSS JV.	49	19,352,343	(1,332,019)	Backbone Enterprises Ltd.	51
10	Somdatt Builders-ARSS JV.	49	3,492,232	(868,055)	Somdatt Builders Pvt. Ltd.	51
11	ARSS-MVPL JV.	51	5,279	-	Mateshwari Vanijya Pvt. Ltd.	49

₹ In Lacs

Sl. No	Name of the Joint Venture	Interest of the Company			Interest of Other Constituents	
		Profit %	Investment	Share of profit/(Loss)	Name	Profit %
12	HCIL-ARSSPL-Triveni JV.	30	(3,423,049)	-	Harish Chandra India Ltd.	40
					Triveni Engicons Pvt. Ltd.	30
13	HCIL-ARSS-Kalindee JV.	30	329,854	-	Harish Chandra India Ltd.	40
					Kalindee Rail Nirman Ltd.	30
14	HCIL-Adhikariya-ARSS JV.	30	9,661,113	2,163,263	Harish Chandra India Ltd.	40
					PT Adhikariya	30
15	HCIL-ARSSPL JV.	49	330,500	-	Harish Chandra India Ltd.	51
16	ARSS - Balaji JV	51	631,449	-		49

28 Related party disclosures

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

₹ In Lacs

a. Sale/purchase of goods and services

	Sale of Services
Associated Concerns	
Shivam Condev (P) Ltd (Material Sold)	4,347.32
Shivam Condev (P) Ltd (Sub contract given)	3,495.05
Shivam Condev (P) Ltd (House rent)	12.00
Shivam Condev (P) Ltd (Assets Sold)	1,846.84
ARSS Developers Ltd (Sub contract given)	62.85
ARSS Damo Hirapur Tolls Pvt Ltd (Sub contract received)	4,966.66
Joint ventures	
ARSS-ANPR JV.	45.28
Niraj-ARSS JV.	1,111.25
ARSS-Atlanta JV.	1,690.95
ARSS-GVR JV.	1,543.60
Atlanta-ARSS JV.	3,737.67
Patel-ARSS JV.	43.30
HCIL-Adhikariya-ARSS JV.	567.78
	8,739.84

b. Loans given and repayment thereof

31.03.2015 31.03.2014
₹ in Lacs ₹ in Lacs

Enterprises owned or significantly influenced by key management personnel or their relatives

ARSS Steel & Power Ltd	9.73	10.02
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c. Loans taken and repayment thereof	31.03.2015	31.03.2014
	₹ in Lacs	₹ in Lacs
Enterprises owned or significantly influenced by key management personnel or their relatives		
Northwest Sales & Marketing Ltd.	464.78	499.85
Sidhant Financial Services Ltd.	1,336.15	1,336.15
ARSS Developers Ltd	2,419.45	2,419.45
Anil Agarwal	20.00	20.00
Sabita Agarwal	150.00	150.00
Subash Agarwal	120.00	120.00
Rajesh Agarwal	61.00	58.50
Ram Dulari Agarwal	97.98	97.98
Sangita Agarwal	78.87	78.87
Sanju Agarwal	75.00	75.00
Sunil Agarwal	150.00	150.00
d. Remuneration to key managerial personnel		
Subash Agarwal (Chairman)	18.00	48.00
Rajesh Agarwal (M.D.)	18.00	48.00
Sunil Agarwal (CEO)	36.00	36.00
Anil Agarwal (COO)	36.00	36.00
S.K. Pattnaik (DF)	30.00	30.00
Directors Sitting Fees	11.40	8.64

Note : The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.

29 Contingent liabilities

Name of the Statute to which the liability relates	
a) Orissa Sales Tax Act	117.19
b) Orissa Entry Tax Act	34.44
c) Central Sales Tax Act	791.10
d) Orissa Electricity Act	47.22
e) Corporate Guarantees to sister concerns of the Company	
i) ARSS Damoh-Hirapur Toll Pvt Ltd.	8,700.00
ii) Anil Contractors (P) Ltd	280.00
f) Income Tax Act	
i) ITAT	5,469.84
ii) TDS (Appeal)	13.29
g) Bank Guarantee outstanding	27,483.38
Total	42,936.46

30 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

The Company has not received any intimation from suppliers regarding their status under micro, small and medium enterprises Development Act 2006 and hence disclosure 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.

- 31 No provision has been made against invoking Performance Bank Guarantee by principals amounting to ₹ 82.83 Crores and disputed by the Company.
- 32 The Inventory of Raw Materials, Work in Progress and finished goods have been visually estimated by each site in charge and value estimated by them for the same has been considered in the accounts.
- 33 During the year, only some categories of fixed assets have been physically verified due to manpower constraint and widely spread out location of such assets besides a number of sites becoming non-active.
- 34 Contact wise surplus/deficit has not been prepared as the number and complexity of the contracts are very high.
- 35 Interest on inter corporate deposits has not been charged as the same are under dispute and pending at different forums.
- 36 The Company has claimed deduction under Section 80-IA (4) of the income Tax Act, 1961 in its returns of income relating to assessment year 2006-07 to 2012-13. However, the Department contested the same on the grounds that the Company was not “developing” the infrastructure facility and disallowed the deduction for assessment years 2006-07 to 2011-12. The Company had filed appeal against the said order before the Hon’able CIT(Appeal) which were allowed. The department has filed second appeal before Hon’able Cuttack Bench of Income Tax Appellate Tribunal for these assessment years, which is currently pending.
- 37 The figures for the previous year are regrouped / reclassified wherever necessary to make them comparable with that of Current Year.

As per our report of even date

For Ajay B Garg

Chartered Accountants

(CA. Ajay B Garg)

Proprietor

M. No. 32538

(Subash Agarwal)

Chairman

For and on behalf of the Board of Directors

(Rajesh Agarwal)

Mg. Director

(S.K. Pattanaik)

C F O

(Alka Khemka)

Company Secretary

Place : Bhubaneswar

Date : The 12th day of May, 2015



ARSS INFRASTRUCTURE PROJECTS LIMITED

REGISTERED OFFICE

Plot No. 38, Sector - A, Zone - D,
Mancheswar Industrial Estate,
Bhubaneswar - 751 010, Orissa, INDIA.
Tel. : 91 674 2588552 / 2588554
Fax : 91 674 2585074

CORPORATE OFFICE

ARSS Mall, Plot No. 40,
Community Centre, Block-A, Paschim Vihar,
Opposite to Jwalaheri Market
New Delhi - 110 063. INDIA.
Tel. : 91 11 48636363
Fax : 91 11 48636339

ARSS INFRASTRUCTURE PROJECTS LIMITED

Registered Office: Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate,

Bhubaneswar-751010, Orissa, India

CIN: L14103OR2000PLC006230

Tel No.: +91-0674-2588552, 2588554 Fax: +91-0674-2585074,

E-mail: cs@arssgroup.in, Website: www.arssgroup.in

NOTICE

NOTICE is hereby given that the 15th Annual General Meeting of the Members of the company will be held on Tuesday, 29th September, 2015 at 11.00 A. M, at the Registered Office of the Company at Plot No. 38, Sector- A, Zone- D, Mancheswar Industrial Estate, Bhubaneswar- 751010, India to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and if thought fit, to adopt the Audited Balance Sheet as at 31st March, 2015 and the Profit and Loss Account for the year ending on that date, together with the reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Subash Agarwal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To re- appoint Statutory Auditors of the Company.

To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of sections 139(9) and 142(1) and other applicable provisions, if any, of the Companies Act, 2013, read with rules made there under M/s Ajay B Garg, Chartered Accountants, Mumbai, be and are hereby re-appointed as Statutory Auditors of the Company to conduct the Statutory Audit for the period ended on 31st March, 2016, and to hold offices from the conclusion of 15th Annual General Meeting till the conclusion of the 19th Annual General Meeting of the Company subject to the ratification of their re- appointment by shareholders of the company on the same remuneration and terms & conditions as earlier fixed by the Board of Directors in consultation with the auditors."

SPECIAL BUSINESS

Ordinary Resolutions

4. To consider and if, thought fit to pass, the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of section 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Bhushan Kumar Makhija (DIN: 01059280), who was appointed a Non-Executive Independent Director (Additional Director) by the board in their meeting held on 31st March, 2015 pursuant to the section 161 and other applicable provisions of The Companies Act, 2013 who has consented to act as an Independent Director of the company & has also submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company with effect from 31st March, 2015 to 30th March, 2017 (for two years) not liable to retire by rotation."

5. To consider and if, thought fit to pass the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of section 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Kamlesh Kumar Sharma (DIN: 07174947), who was appointed a Non-Executive Independent Director (Additional Director) by the directors through resolution by circulation w.e.f 4th May, 2015 pursuant to the section 175, 161 and other applicable provisions of the Companies Act, 2013 who has consented to act as an Independent Director of the company & has also submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company with effect from 4th May, 2015 to 3rd May, 2017 (for two years) not liable to retire by rotation."

6. To consider and if, thought fit to pass the following resolution as Ordinary Resolution:-

“RESOLVED THAT pursuant to the provisions of section 196, 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification thereto from time to time or any re-enactment thereof for the time being in force) (the “Act”) read with Schedule V to the said Act, and applicable provisions of Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956 for such part of the period where relevant Sections and Schedule were in force, and in partial modification of the relevant resolution passed at the Annual General Meeting of the Company held on 27th September, 2013, consent of the Company be and is hereby accorded to the revision in the remuneration of the remuneration of Mr. Subash Agarwal, Executive Chairman of the company to be ₹ 2.75 Lakhs (Rs. Two Lakhs seventy five thousands only) per month and commission upto 4% of the net profit of the Company for the financial year in which adequate profit is earned, computed in the manner laid down in section 198 of the Companies Act, 2013 and other benefits as per the rules of the company, w.e.f 1st April, 2015 till the remainder of duration of appointment upto 15th August, 2018, not exceeding the limits specified under Schedule V of the Companies Act, 2013 or any statutory modification(s) or reenactments thereof.”

“RESOLVED FURTHER THAT the Board of Directors (which term shall always be deemed to include any Committee as constituted or to be constituted by the Board to exercise its powers including the powers conferred under this resolution) be and is hereby authorised to vary or increase the remuneration specified above from time to time to the extent the Board of Directors may deem appropriate, provided that such variation or increase, as the case may be, is within the overall limits specified under the relevant provisions of the Companies Act, 2013 and/ or as approved by the Central Government or any such other competent authority.”

“RESOLVED FURTHER THAT in the event in any financial year during the tenure of the Executive Chairman, the Company does not earn any profits or earns inadequate profits as contemplated under the provisions of Schedule V to the Companies Act, 2013, the Company may pay the above remuneration excluding commission amount payable on profits earned as the minimum remuneration by way of salary and allowances as specified above and subject to receipt of the requisite approvals, if any.”

“RESOLVED FURTHER that any one of the Directors or Company Secretary of the Company be and are hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution.”

7. To consider and if thought fit, to pass, the following as Ordinary Resolution:-

“RESOLVED THAT pursuant to the provisions of section 196, 197, 198, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification thereto from time to time or any re-enactment thereof for the time being in force) (the “Act”) read with Schedule V to the said Act and, as per Article 138 of the Articles of Association of the Company, the consent of the Company be and is hereby accorded for the re-appointment of Mr. Rajesh Agarwal (DIN: 00217823), (whose term of office as Managing Director expires on 31st March, 2016, and the company may not have any EGM before this period to reappoint him) for a period of five years with effect from 1st April, 2016 to 31st March, 2021 at the remuneration of ₹ 2.50 Lakhs (Rs. Two Lakhs fifty thousand only) per month and commission upto 4% of the net profit of the Company for the financial year in which adequate profit is earned, computed in the manner laid down in section 198 of the Companies Act, 2013 and other benefits as per the rules of the company, not exceeding the limits specified under Schedule V of the Companies Act, 2013 or any statutory modification(s) or reenactments thereof.”

“RESOLVED FURTHER THAT the Board of Directors (which term shall always be deemed to include any Committee as constituted or to be constituted by the Board to exercise its powers including the powers conferred under this resolution) be and is hereby authorised to vary or increase the remuneration specified above from time to time to the extent the Board of Directors may deem appropriate, provided that such variation or increase, as the case may be, is within the overall limits specified under schedule V and the relevant provisions of the Companies Act, 2013 and/ or as approved by the Central Government or any such other competent authority.”

“RESOLVED FURTHER THAT in the event in any financial year during the tenure of the Executive Chairman, the Company does not earn any profits or earns inadequate profits as contemplated under the provisions of Schedule V to the Companies Act, 2013, the Company may pay the above remuneration excluding commission amount payable on profits earned as the minimum remuneration by way of salary and allowances as specified above and subject to receipt of the requisite approvals, if any.”

“RESOLVED FURTHER THAT any one of the Directors or Company Secretary of the Company be and are hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution.”

8. To consider and if thought fit, to pass, the following as Ordinary Resolution:-

“RESOLVED THAT pursuant to provisions of Sections 148(3) and other applicable provisions if any, of Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactments(s) thereof for time being in force) -

- a) the consent of the Company be and is hereby given for payment of remuneration of ₹ 50,000/- (Rs. Fifty Thousands only) plus applicable taxes and out of pocket expenses for conducting audit of the cost records of the Company for the year 2014-15 as may be applicable to the Company under Section 148 of the Companies Act, 2013 and rules made there under, to M/s. Asutosh & Associates, Cost Accountants, Bhubaneswar who were appointed as Cost Auditors of the Company by the Board of Directors at its meeting held on 12th February, 2015.
- b) the consent of the Company be and is hereby given for payment of remuneration of ₹ 50,000/- (Rs. Fifty Thousands only) plus applicable taxes and out of pocket expenses for conducting audit of the cost records of the Company for the year 2015-16 as may be applicable to the Company under Section 148 of the Companies Act, 2013 and rules made there under, to M/s. Asutosh & Associates, Cost Accountants, Bhubaneswar who were re-appointed as Cost Auditors of the Company by the Board of Directors at its meeting held on 7th August, 2015.

“RESOLVED FURTHER THAT the Board of Directors and Company Secretary of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

Special Resolutions

9. To consider and if thought fit, to pass, the following as Special Resolution:-

“RESOLVED THAT the remuneration of ₹ 30,00,000/- (Rs. Thirty Lakhs only) per annum paid to Mr. Soumendra Keshari Pattanaik, (DIN:00009924) Whole-time Director (Director Finance) of the Company, for the financial year 2011-12, 2012-13 and 2013-14 in accordance with the resolution passed by the members in the 11th Annual General Meeting of the Company held on 24th September, 2011 and subject to such consent and approvals as may be necessary, be and is hereby approved notwithstanding that such remuneration is in excess to the extent of ₹ 78,00,000/- (Rs. Seventy Eight lakhs only) of the limits prescribed under Section 198, 309 and Schedule XIII of the Companies Act, 1956 and that pursuant to the provisions of Section 309(5A) but subject to the approval of Central Government, the consent of the Company be and is hereby also accorded to the waiver of recovery from Mr. Soumendra Keshari Pattanaik of such excess remuneration.”

“RESOLVED FURTHER THAT for the purpose of giving effect to above resolutions, the Board of Directors and Company Secretary of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be, in their absolute discretion, deemed necessary, expedient, usual or proper in the best interest of the Company and furnish such information / clarifications / declaration, certificate and other papers as may be required in this regard including authorizing any other person to represent before the Central Government.”

10. To consider and if, thought fit to pass, the following resolution as Special Resolution:-

“RESOLVED THAT pursuant to the provisions of section 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Swarup Chandra Parija (DIN: 00363608), who was appointed as Non-Executive Independent Director by the shareholders in Extra-ordinary General Meeting held on 17th December, 2014 for the period of two year w.e.f. 1st April, 2014 to 31st March, 2016 and whose term of office expires on 31st March, 2016 and the company may not have any EGM before this period to reappoint him, who has consented for re-appointment as Independent Director of the company & has also submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for re-appointment, be and is hereby re- appointed as an Independent Director of the Company with effect from 1st April, 2016 to 31st March, 2021 (for five years) not liable to retire by rotation.”

11. To consider and if thought fit, to pass, the following as Special Resolution:-

“RESOLVED THAT pursuant to the provisions of Section 188(1)(f) and all other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof for the time being in force) read with sub-rule (3)(ii) (b) of Rule 15 of Companies (Meetings of the Board and its Powers) Rules, 2014, and pursuant to the recommendation made by Nomination and Remuneration Committee of Directors, consent of the Company be and is hereby accorded to Mr. Anil Agarwal, a relative of a Director of the Company, for holding and continuing to hold an office or place of profit as the ‘Sr. Vice President and Chief Operating Officer’ (or such other designation as may be assigned from time to time by the Nomination and Remuneration Committee and approved by the Board of Directors) at a remuneration of ₹ 3.50 Lakhs (Rs. Three Lakhs and fifty thousand only) per month with effect from 1st July, 2015, together with the usual allowances and benefits, amenities

and facilities including employees Super Annuation Fund, Retiring Gratuity and Provident Fund Benefits applicable to the other employees occupying the similar post within the same salary scale or grade with an authority to the Board of Directors to sanction at their discretion in due course Mr. Anil Agarwal's promotion to the next higher grade or grades together with the all usual allowances and benefits as applicable to such grade or grades and to give increments within that grade or grades as they may deem fit and proper."

12. To consider and if thought fit, to pass with or without modification(s), the following as a Special Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 188(1)(f) and all other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof for the time being in force) read with sub-rule (3) (ii)(b) of Rule 15 of Companies (Meetings of the Board and its Powers) Rules, 2014, and pursuant to the recommendation made by Nomination and Remuneration committee of Directors, consent of the Company be and is hereby accorded to Mr. Sunil Agarwal, a relative of a Director of the Company, for holding and continuing to hold an office or place of profit as the 'President and Chief Executive Officer' (or such other designation as may be assigned from time to time by the Nomination and Remuneration Committee and approved by the Board of Directors) at a remuneration of ₹ 3.50 Lakhs (Rs. Three Lakhs and fifty thousand only) per month with effect from 1st July, 2015, together with the usual allowances and benefits, amenities and facilities including employees Super Annuation Fund, Retiring Gratuity and Provident Fund Benefits applicable to the other employees occupying the similar post within the same salary scale or grade with an authority to the Board of Directors to sanction at their discretion in due course Mr. Sunil Agarwal's promotion to the next higher grade or grades together with the all usual allowances and benefits as applicable to such grade or grades and to give increments within that grade or grades as they may deem fit and proper."

13. To reclassify the authorized share capital of the company and in this regard to consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 13, 61 and 64 of the companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and other applicable provisions, if any, and the provisions of the Memorandum and Articles of Association of the Company, the authorized share capital of ₹ 55,00,00,000 (Rs. Fifty five Crores Only) comprising of 3,00,00,000 (Three Crores only) Equity Shares of ₹ 10/- (Rs. Ten only) each and 2,50,00,000 (Two Crores fifty Lakhs) Preference Shares of ₹ 10/- (Rs. Ten only) each be re-classified and re-organized as authorized share capital of ₹ 55,00,00,000 (Rs. Fifty five Crores Only) comprising of 4,00,00,000 (Four Crores only) Equity Shares of ₹ 10/- (Rs. Ten) each and 1,50,00,000 (One Crore fifty Lakhs) Preference Shares of ₹ 10/- (Rs. Ten only) each and clause V of Memorandum of Association shall be substituted by the following new clause V:

"The authorized share capital of the company is ₹55,00,00,000/- (Rupees Fifty five crores only) divided into 4,00,00,000 (Four Crores only) Equity Shares of ₹ 10/- (Rs. Ten) each and 1,50,00,000 (One Crore fifty Lakhs) Preference Shares of ₹ 10/- (Rs. Ten only) each with power to increase or reduce the capital for the time being into several classes, and to attach there to respectively such preferential, qualified on special rights, privileges or conditions as may be determined by or in accordance with the regulations of the company and to vary, modify or abrogate any such rights, privileges or conditions in such a manner as may for the time being be provided by the resolution of the company and consolidate, sub-divide or reorganize the shares and issue shares of higher or lower denomination."

"RESOLVED FURTHER THAT Board of Director of the company be and is hereby authorised to do all such acts and to take such steps, as may be necessary, to give effect to the resolution."

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint proxy / proxies to attend and vote instead of himself and the proxy need not be a Member of the company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other member.

The instrument of proxy in order to be effective, should be deposited at the registered office of the company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A proxy form is sent herewith.

2. Members/Proxies should bring the Attendance Slip duly filled in for attending the Meeting and also their copy of the Annual Report.

3. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, 15th September, 2015 to 18th September, 2015 (both days inclusive) for the purpose of the Annual General Meeting of the Company.
5. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting of the Company. The Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the Members at the Annual General Meeting of the Company.
6. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
7. Members are requested to notify immediately any change in their address directly to their Depository Participant in case they hold Shares in dematerialized form or to the Company's Registrar & Transfer Agents, in case they hold Shares in physical form.
8. In accordance with the provisions of Section 72 of the Companies Act, 2013, members are entitled to make nominations in respect of the Equity Shares held by them, in physical form. Members desirous of making nominations may procure the prescribed form from the Registrar & Share Transfer Agents and have it duly filled and sent back to them.
9. Electronic copy of the Annual Report and the Notice for 15th Annual General Meeting for 2014-15 is being sent to all Members whose email ids are registered with the Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2014-15 are being sent to them in the permitted mode.
10. Members may also note that the Notice of the 15th Annual General Meeting and the Annual Report for 2014-15 will also be available on the Company's website www.arssgroup.in for their download.
11. Appointment of Directors:
Details as prescribed under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of Directors seeking appointment/ reappointment at the Annual General Meeting are provided in the Explanatory Statement to the Notice.
12. Even after registering for e-communication, members are entitled to receive such communication in physical form by post free of cost, upon making a request for the same. For any such communication, the members may also send requests to the Company's Registrar & Share Transfer Agents at email id: edp@bigshareonline.com or company's email id: cs@arssgroup.in.
13. The cut-off/ record date for taking ben-pos, for the purpose of e-voting is set by a company is 22nd September, 2015 (Tuesday), those investors, whose names appear on the shareholder list of on that day shall be eligible for e-voting. A person who is not a Member as on the record date should treat this Notice for information purposes only.
14. Members are requested to visit the website of the Company www.arssgroup.in for viewing the quarterly, half-yearly and Annual financial results and for more information about the Company. Useful information on various services being provided to the investors is also available on the website of the Company.
15. All the investor related communication may be addressed to:

Ms. Alka Khemka

Company Secretary cum Compliance Officer

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

Mancheswar Industrial Estate,

Bhubaneswar- 751010.

E-Mail;- cs@arssgroup.in

Tel: 0674-2588552, 2588554, Fax: 0674- 2585074.

Or

Registrar and 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



16. E-Voting-

Voting through electronic means:-

- I In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by Companies (Management and Administration) Rules, 2015 and clause 35B of the listing agreement entered into with stock exchanges, the Company is pleased to provide members facility to exercise their right to vote at Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL).

The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

The remote e-voting period commences on Friday, 25th September, 2015 (9:00 am) and ends on Monday, 28th September, 2015 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22nd September, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

The process and manner for remote e-voting are as under:

In case a Member receives an email from NSDL (for members whose email IDs are registered with the Company/Depository Participants(s)):

- (i) Open email and open PDF file viz; “remote e-voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder – Login
- (iv) Put user ID and password as initial password noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/ characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of remote e-Voting opens. Click on remote e-Voting: Active Voting Cycles.
- (vii) Select “EVEN” of ARSS Infrastructure Projects Limited.
- (viii) Now you are ready for e-Voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
- (x) Upon confirmation, the message “Vote cast successfully” will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail cs_deba@yahoo.co.in with a copy marked to evoting@nsdl.co.in.

In case a Member receives physical copy of the Notice of AGM (for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy):

- (i) Initial password is provided in the separate sheet with e-voting details for AGM:

EVEN (Remote e-voting Event Number)	USER ID	PASSWORD/PIN

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com. or call on toll free no.: 1800-222-990.
- III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on, 22nd September, 2015.
- VI. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 22nd September, 2015 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

- VII. M/s ADP & ASSOCIATES, Firm of Practicing Company Secretaries (Principle partner Mr. Debadatta Mohapatra Membership No. FCS 5474 and Certificate of Practice No. 4583) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- VIII. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of the Scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- IX. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- X. The Results declared along-with the report of the Scrutinizer shall be placed on the website of the Company www.arssgroup.in and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited.
- XI. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company between 11.00 am and 4 pm on all working days except Saturdays & Sundays up to and including the date of the Annual General Meeting of the Company.

By Order of the Board
For **ARSS Infrastructure Projects Limited**

Sd/-
(Alka Khemka)
Company Secretary

Place: Bhubaneswar
Date: 7th August, 2015

CIN: L14103OR2000PLC006230

Regd. Office-Plot No.38,
Sector-A, Zone -D,
Mancheswar Industrial Estate, Bhubaneswar, 751010
Website: www.arssgroup.in

Explanatory Statement under Section 102(1) of the Companies Act, 2013:**Item No. 4****Appointment of Mr. Bhushan Kumar Makhija as an Independent director**

Mr. Bhushan Kumar Makhija (DIN: 01059280), joined the Board of Directors of the Company on 31st March, 2015 as a Non Executive, Independent Director of the Company (additional director) whose period of office was upto the AGM by virtue of being appointed in the category of additional director.

In terms of section 149 and other applicable provisions of the Companies Act, 2013, Mr. Bhushan Kumar Makhija being eligible and offers himself for appointment. Remuneration and Nomination Committee at their meeting held on 7th August, 2015 has also recommended for re-appointment of , Mr. Bhushan Kumar Makhija. Company has also received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing the candidature of Mr. Bhushan Kumar Makhija (DIN: 01059280), for the office of Director.

The Company has received from Mr. Bhushan Kumar Makhija (i) consent in writing to act as an Independent Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules 2014 (ii)intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the companies Act, 2013.

In the opinion of the Board of Directors, Mr. Bhushan Kumar Makhija proposed to be appointed, as an Independent Director for a term of two years i.e. from 31st March, 2015 to 30th March, 2017 fulfills the conditions specified in the Companies Act, 2013 and the Rules made hereunder and he is independent.

A copy of the draft letter for the appointment of Mr. Bhushan Kumar Makhija as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's Registered Office during normal business hours on working days up to the date of the Annual General Meeting.

The Resolution seeks the approval of members for the appointment of Mr. Bhushan Kumar Makhija as an Independent Director of the Company for a term of two years i.e. from 31st March, 2015 to 30th March, 2017 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made hereunder. He is not liable to retire by rotation.

Accordingly, Ordinary Resolution is submitted to the meeting for the consideration and approval of members.

None of the Directors, Key Managerial Personnel or their relatives, except Mr. Bhushan Kumar Makhija for whom the Resolution relates, are interested or concerned in any way in the said Resolution.

Item No. 5**Appointment of Mr. Kamlesh Kumar Sharma as an Independent director**

Mr. Kamlesh Kumar Sharma (DIN: 07174947), joined the Board of Directors of the Company on 4th May, 2015 as a Non Executive, Independent Director of the Company (additional director) whose period of office was upto the AGM by virtue of being appointed in the category of additional director.

In terms of section 149 and other applicable provisions of the Companies Act, 2013, Mr. Kamlesh Kumar Sharma being eligible and offers himself for appointment. Remuneration and Nomination Committee at their meeting held on 7th August, 2015 has also recommended for re-appointment of Mr. Kamlesh Kumar Sharma. Company has also received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing the candidature of Mr. Kamlesh Kumar Sharma (DIN: 07174947), for the office of Director.

The Company has received from Mr. Kamlesh Kumar Sharma (i) consent in writing to act as an Independent Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules 2014 (ii)intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the companies Act, 2013.

In the opinion of the Board of Directors, Mr. Kamlesh Kumar Sharma proposed to be appointed, as an Independent Director for a term of two years i.e. from 4th May, 2015 to 3rd May, 2017 fulfills the conditions specified in the Companies Act, 2013 and the Rules made hereunder and he is independent.

A copy of the draft letter for the appointment of Mr. Kamlesh Kumar Sharma as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's Registered Office during normal business hours on working days up to the date of the Annual General Meeting.

The Resolution seeks the approval of members for the appointment of Mr. Kamlesh Kumar Sharma as an Independent Director of the Company for a term of two years i.e. from 4th May, 2015 to 3rd May, 2017 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made hereunder. He is not liable to retire by rotation.

Accordingly, Ordinary Resolution is submitted to the meeting for the consideration and approval of members.

None of the Directors, Key Managerial Personnel or their relatives, except Mr. Kamlesh Kumar Sharma for whom the Resolution relates, are interested or concerned in any way in the said Resolution.

Item No. 6

Revision of the remuneration of the Mr. Subash Agarwal, Executive Chairman

Mr. Subash Agarwal was appointed as Executive Chairman of the company by the shareholders in their meeting held on 27th September, 2013 for a period of five year w.e.f. 16th August, 2013 to 15th August, 2018, at the remuneration of ₹ 15.00 Lakhs per month on such terms and conditions contained in an Agreement laid before the meeting subject to the approval of the Central Government.

Taking into account the recommendation of Nomination and Remuneration committee, profit of the company in the year 2014-15 (anticipating the same line of profit in the FY 2015-16 with some increase/ decrease) and considering the eligibility of 5% of the net profit for each of the managerial personnel (if the number of managerial personnel is not more than two) as specified under section 198 read with schedule V of the Companies Act, 2013, board proposes a monthly remuneration of Mr. Subash Agarwal be revised from ₹ 15.00 Lakhs per month to ₹ 2.75 Lakhs (Rs. Two Lakhs seventy five thousands only) per month and commission upto 4% of the Net profit of the Company for the financial year in which adequate profit is earned, computed in the manner laid down in section 198 of the Companies Act, 2013 and other benefits as per the rules of the company, w.e.f 1st April, 2015 till the remainder of duration of appointment upto 15th August, 2018 not exceeding the limits specified under Schedule V of the Companies Act, 2013 or any statutory modification(s) or reenactments thereof, with the liberty to increase or decrease the same not exceeding the limit as specified under section 197, 198 and Schedule V of the Companies Act, 2013.

The main terms and conditions (including payment of revised remuneration) for the period with effect from 1st April, 2015 to 15th August, 2018 of Mr. Subash Agarwal, as Chairman of the Company are given below:

1. **Period of Appointment:** Already appointed for 5 years with effect from 16th August, 2013 to 15th August, 2018.
2. **Remuneration:** Revision of remuneration from 1st April, 2015 to 15th August, 2018 (remaining period of term)
 - A. **Salary:** ₹ 2.75 Lakhs per month.
 - B. **Perquisites and Allowances:** As per the rules of the company
 - C. **Commission:** Such remuneration by way of Commission, in addition to salary, perquisites and allowances at the end of each financial year upto 4% of the Net profit of the Company for the financial year in which adequate profit is earned, computed in the manner laid down in section 198 of the Companies Act, 2013.
3. **Minimum Remuneration:** Where in any financial year during the currency of the tenure of the Executive Chairman, the Company has no profits or its profits are inadequate, the Executive Chairman shall be paid the Minimum Remuneration as the same may not exceed the ceiling limit laid down under Section 197 and Schedule V to the Companies Act, 2013.

In terms of the requirements as per sub-clause (iv) of the proviso of Section II of Part II of Schedule V to the Companies Act, 2013, the information is as furnished below:

I. GENERAL INFORMATION:

(1) Nature of Industry	Construction.
(2) Date of Commencement of commercial Production	Not Applicable
(3) In case of new Companies, expected date of commencement of activities as per project approved by Financial Institutions appearing in the Prospectus	Not Applicable

(4) Financial Performance:

Financial parameters of the Company for the last five financial years:

(₹ In Lakhs)

Sl. No	Particulars	Year				
		2010-11	2011-12	2012-13	2013-14	2014-2015
1	Paid-up Capital	1,484.32	1,484.32	2,984.32	2,984.32	2,984.32
2	Reserves and Surplus	43,356.37	40,395.33	33,936.68	34,103.50	34,725.53
3	Turnover	125,746.60	119,858.94	78,050.15	90,833.57	66,457.79
4	PBT	15,196.97	(2,382.47)	(6,002.58)	143.94	548.39
5	PAT	11,216.52	(2,961.04)	(6,458.65)	166.82	622.04

(5) Foreign investments or collaborations, if any: Not Applicable

II. INFORMATION ABOUT THE APPOINTEE:

(1) Background details

Mr. Subash Agarwal is having experience of 22 years in construction field. Mr. Subash Agarwal is the Chairman of the Company since 2007.

(2) Past Remuneration

The remuneration paid to Mr. Subash Agarwal in the financial year 2014-15 was ₹ 27.00 Lakhs per annum.

(3) Recognition/Awards: Not Applicable

(4) Job Profile and Suitability: Mr. Subash Agarwal is the Chairman of the Company since 2007.

(5) Remuneration proposed: ₹ 2.75 Lakhs per month and commission upto 4% of the Net profit of the Company for the financial year in which adequate profit is earned, computed in the manner laid down in section 198 of the Companies Act, 2013.

(6) Comparative Remuneration Profile with respect to Industry, Size of the Company, Profile of the position and person: Moderate as per industry.

(7) Pecuniary Relationship, directly or indirectly, with the Company or relationship with the Managerial Personnel, if any: Promoter of the company.

III OTHER INFORMATION:

(1) Reasons for loss or inadequate profits: Not Applicable

(2) Steps taken or proposed to be taken for improvement: Not Applicable

(3) Expected increase in productivity and profits in measurable terms: As per economic scenario.

Accordingly, Ordinary Resolution is submitted to the meeting for the consideration and approval of members.

Except Mr. Rajesh Agarwal, Mr. Anil Agarwal & Mr. Sunil Agarwal (being his relatives), none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in any way, financial or otherwise, in the said resolution.

Item No. 7**Re- appointment & remuneration of Mr. Rajesh Agarwal, Managing Director**

Mr. Rajesh Agarwal was appointed as Managing Director of the company by the shareholders in their meeting held on 24th September, 2011 for a period of five year w.e.f. 1st April, 2011 to 31st March, 2016, at the remuneration of ₹ 15.00 Lakhs per month plus other benefits as per the rules of the company with the liberty to the board to alter and vary the terms and conditions and/or remuneration not exceeding the limit specified under schedule XIII to the Companies Act, 1956.

The present term of appointment of Mr. Rajesh Agarwal would be expiring on 31st March, 2016, and the company may not have any EGM before that period to reappoint him. Taking into account the recommendation of Nomination and Remuneration committee, board proposes to re-appoint Mr. Rajesh Agarwal as Managing Director of the company for a period of five year with effect from 1st April, 2016 to 31st March, 2021 at the remuneration of ₹ 2.50 Lakhs (Rs. Two Lakhs fifty thousand only) per month and commission upto 4% of the Net profit of the Company for the financial year in which adequate profit is earned, computed in the manner laid down in section 198 of the Companies Act, 2013 and other benefits as per the rules of the company, with the liberty to the board to increase or decrease the same not exceeding the limit as specified under section 197, 198 and Schedule V of the Companies Act, 2013.

The main terms and conditions of appointment (including payment of remuneration for the period of 5 years effective from 1st April, 2016 to 31st March, 2021 of Mr. Rajesh Agarwal, as Managing Director of the Company are given below:

1. **Period of Appointment:** 5 years with effect from 1st April, 2016 to 31st March, 2021.
2. **Remuneration:** 5 years with effect from 1st April, 2016 to 31st March, 2021.
 - A. **Salary:** ₹ 2.50 Lakhs per month.
 - B. **Perquisites and Allowances:** As per the rules of the company
 - C. **Commission:** Such remuneration by way of Commission, in addition to salary, perquisites and allowances at the end of each financial year upto 4% of the Net profit of the Company for the financial year in which adequate profit is earned, computed in the manner laid down in section 198 of the Companies Act, 2013.
3. **Minimum Remuneration:** Where in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Managing Director shall be paid the Minimum Remuneration as the same may not exceed the ceiling limit laid down under Section 197 and Schedule V to the Act.

In terms of the requirements as per sub-clause (iv) of the proviso of Section II of Part II of Schedule V to the Act, the information is as furnished below:

I. GENERAL INFORMATION:

(1)	Nature of Industry	Construction.
(2)	Date of Commencement of commercial Production	Not Applicable
(3)	In case of new Companies, expected date of commencement of activities as per project approved by Financial Institutions appearing in the Prospectus	Not Applicable

(4) Financial Performance:

Financial parameters of the Company for the last five financial years:

(₹ In Lakhs)

S I. No	Particulars	Year				
		2010-11	2011-12	2012-13	2013-14	2014-2015
1	Paid-up Capital	1,484.32	1,484.32	2,984.32	2,984.32	2,984.32
2	Reserves and Surplus	43,356.37	40,395.33	33,936.68	34,103.50	34,725.53
3	Turnover	125,746.60	119,858.94	78,050.15	90,833.57	66,457.79
4	PBT	15,196.97	(2,382.47)	(6,002.58)	143.94	548.39
5	PAT	11,216.52	(2,961.04)	(6,458.65)	166.82	622.04

(5) Foreign investments or collaborations, if any: Not Applicable

II. INFORMATION ABOUT THE APPOINTEE:

(1) Background details:

Mr. Rajesh Agarwal holds degree in B. Tec. (Civil Engg.) and having experience of 20 years in construction field. Mr. Rajesh Agarwal is Managing Director of the Company since 2000.

(2) Past Remuneration

The remuneration paid to Mr. Rajesh Agarwal in the financial year 2014-15 was ₹ 21.00 Lakhs per annum.

(3) Recognition/Awards: Not Applicable

(4) Job Profile and Suitability: Mr. Rajesh Agarwal is Managing Director of the Company since 2000.

(5) Remuneration proposed: ₹ 2.50 Lakhs per month and commission upto 4% of the Net profit of the Company for the financial year in which adequate profit is earned, computed in the manner laid down in section 198 of the Companies Act, 2013.

(6) Comparative Remuneration Profile with respect to Industry, Size of the Company, Profile of the position and person: Moderate as per industry

(7) Pecuniary Relationship, directly or indirectly, with the Company or relationship with the Managerial Personnel, if any: Promoter of the company.

III OTHER INFORMATION:

(1) Reasons for loss or inadequate profits: Not Applicable

(2) Steps taken or proposed to be taken for improvement: Not Applicable

(3) Expected increase in productivity and profits in measurable terms: As per economic scenario.

Accordingly, Ordinary Resolution is submitted to the meeting for the consideration and approval of members.

Except Mr. Subash Agarwal, Mr. Anil Agarwal & Mr. Sunil Agarwal (being his relatives), none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in any way, financial or otherwise, in the said resolution.

Item No. 8

The Board of Directors of the Company on the recommendation of the Audit Committee & Nomination and Remuneration Committee approved the appointment and remuneration of M/s. Asutosh & Associates, Cost Accountants, Bhubaneswar at a remuneration of ₹50,000/- (Rs. Fifty Thousand only) plus applicable taxes and out of pocket expenses to conduct the audit of the cost records of the Company for the financial year ended 31st March, 2015.

In respect of financial year 2015-16, the Board, on the recommendation of the Audit Committee & Nomination and Remuneration Committee, approved the appointment and remuneration of M/s. Asutosh & Associates, Cost Accountants, Bhubaneswar at a remuneration of ₹50,000/- (Rs. Fifty Thousand only) plus applicable taxes and out of pocket expenses to conduct the audit of the cost records of the Company for the financial year ended 31st March, 2016.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditors during the year 2015 and 2016 respectively as set out in the Resolution for the aforesaid services to be rendered by them.

Accordingly, Ordinary Resolution is submitted to the meeting for the consideration and approval of members.

None of the Directors, Key Managerial Personnel or their relatives, are interested or concerned in any way in the said Resolution.

Item No. 9

The shareholders at their 11th Annual General Meeting held on 24th September, 2011 had approved by way of special resolution the appointment and remuneration of Mr. Soumendra Keshari Pattanaik as Whole Time Director (Director Finance) of the Company for a period of five years with effect from 1st April, 2011 till 31st March, 2016 on a total monthly remuneration of ₹2,50,000/- (Rupees Two Lakhs Fifty Thousands only) plus other benefits as per the rules of the Company with the liberty to the Board of Directors to alter and vary the terms and conditions and/or remuneration, not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactments thereof.

As per resolution passed by the shareholders at their 11th Annual General Meeting held on 24th September, 2011 where in any financial year, the Company has no profits or inadequate profits, the remuneration as decided by the Board from time to time shall be paid to Mr. Soumendra Keshari Pattanaik as minimum remuneration as per Schedule XIII.

Details of excess remuneration during financial year 2011-12, 2012-13 & 2013-14 are as follows:

SI. No.	Financial Year	Excess Paid Remuneration (₹ In Lakhs)
1	2011-12	₹ 30.00
2	2012-13	₹ 30.00
3	2013-14	₹ 18.00
	Total	₹ 78.00

The company has incurred losses during the two financial years 2011-12 & 2012-13 and had inadequate profit in the financial year 2013-14. Since the conditions as stipulated under Schedule-XIII, Part-II, Section -II of the Companies Act, 1956 was not meeting up the directors were not eligible to draw minimum remuneration stipulated under Schedule-XIII of the Companies Act, 1956. Hence the remuneration paid to the Whole-time Director is not as per the provisions of Section 198 read with Section 309/ Schedule-XIII of the Act.

Though the company has incurred losses during the two financial years 2011-12 & 2012-13 and had inadequate profit in the financial year 2013-14 and was not meeting up conditions as stipulated under Schedule-XIII, Part-II, Section -II of the Companies Act, 1956, the Company had not filed any application with the Central Government for approval of the payment of remuneration to Mr. Soumendra Keshari Pattanaik.

Hence payment of remuneration to Mr. Soumendra Keshari Pattanaik during the financial years 2011-12 & 2012-13 without Central Government approval was required to be recovered by the company as per show cause notice No. ROC/Inspn/209A/6230/1941(5) dated 23.07.2014 issued by Registrar of Companies, Cuttack . The remuneration paid in the financial year 2013- 14 was also in excess from the limits prescribed under Schedule-XIII.

The remuneration paid in the financial year 2014- 15 is within the prescribed limits.

Therefore, the Nomination and Remuneration Committee and the Board of Directors have at their meetings held on 7th August, 2015 approved the waiver of recovery of the remuneration/ excess remuneration paid to Mr. Soumendra Keshari Pattanaik during the financial year 2011-12, 2012-13 & 2013-14 as set forth in the above resolution, subject to approval of the shareholders and the Central Government. The Company would secure approval from Central Government for waiver of the excess remuneration paid to Mr. Soumendra Keshari Pattanaik for the above stated financial years.

Accordingly, Special Resolution is submitted to the meeting for the consideration and approval of members.

None of the Directors, Key Managerial Personnel or their relatives other than Mr. Soumendra Keshari Pattanaik for whom this resolution relates, are interested or concerned in any way in the said Resolution.

Item No. 10

Re-appointment of Mr. Swarup Chandra Parija as an Independent director

Mr. Swarup Chandra Parija (DIN: 00363608), a Non-Executive Independent Director of the Company was appointed by the members on 17th December, 2014 at an Extra Ordinary General Meeting, for two years with effect from 1st April, 2014 to 31st March, 2016. The present term of appointment of Mr. Swarup Chandra Parija would be expiring on 31st March, 2016.

In terms of section 149 and other applicable provisions of the Companies Act, 2013, Mr. Swarup Chandra Parija being eligible and offers himself for re-appointment. Remuneration and Nomination Committee at their meeting held on 7th August, 2015 has also recommended for re-appointment of Mr. Swarup Chandra Parija. The Company has received from Mr. Swarup Chandra Parija (i) consent in writing to act as an Independent Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules 2014 (ii) intimation in Form DIR- 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the companies Act, 2013.

Since, the present term of appointment of Mr. Swarup Chandra Parija would be expiring on 31st March, 2016 and the company may not have any EGM before that period to reappoint him, board of Directors proposes to reappoint Mr. Swarup Chandra Parija as Non Executive Independent Director for the period of five year with effect from 1st April, 2016 to 31st March, 2021, whose period of office is not liable to determination by retirement by rotation.

A copy of the draft letter for the appointment of Mr. Swarup Chandra Parija as an Independent Director setting out the terms and

conditions is available for inspection without any fee by the members at the Company's Registered Office during normal business hours on working days up to the date of the Annual General Meeting.

The Resolution seeks the approval of members to re-appoint Mr. Swarup Chandra Parija for the term of five year with effect from 1st April, 2016 to 31st March, 2021, as an Independent Director of the Company pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made hereunder. He is not liable to retire by rotation.

Accordingly, Special Resolution is submitted to the meeting for the consideration and approval of members.

None of the Directors, Key Managerial Personnel or their relatives, except Mr. Swarup Chandra Parija for whom the Resolution relates, are interested or concerned in any way in the said Resolution.

Item No. 11**Revision of Remuneration of Mr. Anil Agarwal (Sr. Vice President & COO)**

Mr. Anil Agarwal (Director's relative) was appointed as Sr. Vice President & Chief Operating Officer (COO) of the Company w.e.f 1st November, 2007 by the shareholders at an Extra-Ordinary General Meeting of the company held on 28th December, 2007. The Central Government had given its approval for payment of remuneration of ₹ 3.00 lakhs (Rs. Three Lakhs only) per month to Mr. Anil Agrawal till 31st March, 2015.

On recommendation of Nomination and Remuneration Committee of the company, board of directors in their meeting held on 12th February, 2015 had approved the payment of remuneration of ₹ 2.50 lakhs (Rs. Two lakhs fifty thousand only) per month to Mr. Anil Agarwal w.e.f 1st April, 2015. The Nomination and Remuneration Committee further reviewed the performance of the Sr. Vice President & Chief Operating Officer (COO) vis-à-vis the Company. The Committee reviewed that Mr. Anil Agarwal has significantly contributed in the business of the Company. The Committee is of the view that considering the business challenges to deal with the growth Mr. Anil Agarwal should be well compensated to protect the interest of the organization.

Pursuant to the recommendation made by the Nomination and Remuneration Committee at their meeting held on 7th August, 2015, the Board of Directors proposes Mr. Anil Agarwal continue to hold, as Sr. Vice President & Chief Operating Officer (COO) with higher remuneration.

Accordingly, board proposes to revise remuneration of Mr. Anil Agarwal from ₹ 2.5 Lakhs (Rs. Two Lakhs Fifty Thousands only) per month to ₹ 3.50 Lakhs (Rs. Three Lakhs and fifty thousand only) per month with effect from 1st July, 2015. The aforesaid remuneration shall be inclusive of the perquisites, or a combination as may be decided by the Board from time to time.

Since Mr. Anil Agarwal is a relative of a Director, and the proposed monthly remuneration paid or to be paid is in excess of the prescribed limit of ₹ 2.50 Lakhs, therefore approval of members by means of a special resolution is required under the provisions sub-rule (3)(ii)(b) of Rule 15 of Companies (Meeting of the Board and its Powers), Rules 2014 read with Section 188 of the Companies Act, 2013 for holding and continuing to hold an office or a place of profit in the Company. The Proposed remuneration will be paid, upon sanction of the members, to Mr. Anil Agarwal with effect from 1st April, 2015.

Accordingly, Special Resolution is submitted to the meeting for the consideration and approval of members.

Except Mr. Subash Agarwal, Mr. Rajesh Agarwal & Mr. Sunil Agarwal (being his relatives), none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in any way, financial or otherwise, in the said resolution.

Item No. 12**Revision of Remuneration of Mr. Sunil Agarwal (President and CEO)**

Mr. Sunil Agarwal (Director's relative) was appointed as President & Chief Executive Officer (CEO) of the Company w.e.f 1st November, 2007 by the shareholders at an Extra-Ordinary General Meeting of the company held on 28th December, 2007. The Central Government had given its approval for payment of remuneration of ₹ 3.00 lakhs (Rs. Three Lakhs only) per month to Mr. Sunil Agrawal till 31st March, 2015.

On recommendation of Nomination and Remuneration Committee of the company, board of directors in their meeting held on 12th February, 2015 had approved the payment of remuneration of ₹ 2.50 lakhs (Rs. Two lakhs fifty thousand only) per month to Mr. Sunil Agarwal w.e.f 1st April, 2015. The Nomination and Remuneration Committee reviewed the performance of the President & Chief Executive Officer (CEO) vis-à-vis the Company. The Committee reviewed that Mr. Sunil Agarwal has significantly contributed in the business of the Company. The Committee is of the view that considering the business challenges to deal with the growth Mr. Sunil Agarwal should be well compensated to protect the interest of the organization.

Pursuant to the recommendation made by the Nomination and Remuneration Committee at their meeting held on 7th August, 2015, the Board of Directors proposes to Mr. Sunil Agarwal, continue to hold as President & Chief Executive Officer (CEO) with higher remuneration.

Accordingly, board proposes to revise remuneration of Mr. Sunil Agarwal from ₹ 2.5 Lakhs (Rs. Two Lakhs Fifty Thousands only) per month to ₹ 3.50 Lakhs (Rs. Three Lakhs and fifty thousand only) per month with effect from 1st July, 2015. The aforesaid remuneration shall be inclusive of the perquisites, or a combination as may be decided by the Board from time to time.

Since Mr. Sunil Agarwal is a relative of a Director, and the proposed monthly remuneration paid or to be paid is in excess of the prescribed limit of ₹ 2.50 Lakhs, therefore approval of members by means of a special resolution is required under the provisions sub-rule (3)(ii)(b) of Rule 15 of Companies (Meeting of the Board and its Powers), Rules 2014 read with Section 188 of the Companies Act, 2013 for holding and continuing to hold an office or a place of profit in the Company. The Proposed remuneration will be paid, upon sanction of the members, to Mr. Sunil Agarwal with effect from 1st April, 2015.

Accordingly, Special Resolution is submitted to the meeting for the consideration and approval of members.

Except Mr. Subash Agarwal, Mr. Rajesh Agarwal and Mr. Anil Agarwal (being his relatives), none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in any way, financial or otherwise, in the said resolution.

Item No. 13**Reclassification and alteration of authorized share capital and change in capital clause of Memorandum of Association:**

In order to enable the Company to raise additional finance by issue of equity shares since the existing Authorised Share Capital may not be sufficient for the purpose. It is therefore considered necessary to reclassify the Authorised Share Capital of the Company to the extent mentioned in item No.13 the Notice, with the consequential alterations in the Capital Clauses of the Memorandum of Association of the Company as set out in the Notice.

The present Authorised Share Capital of the Company is ₹ 55,00,00,000 (Rs. Fifty five Crores Only) comprising of 4,00,00,000 (Four Crores only) Equity Shares of ₹ 10/- (Rs. Ten) each and 1,50,00,000 (One Crore fifty Lakhs) Preference shares of ₹ 10/- (Rs. Ten only) each.

The above reclassification in Authorised Share Capital when approved would require certain consequential amendments in clause V of the Memorandum of Association of the Company.

The provisions of the Companies Act, 2013 require the Company to seek the approval of the Members for reclassification and for the alteration of Capital Clause of the Memorandum of Association and accordingly the Board recommend the relevant resolutions for the approval of the Members. The proposed new draft of Memorandum of Association is available for inspection to the shareholders at the registered office of the company on all working days (except Saturdays, Sundays and Public Holidays) between 11.00 A.M and 1.00 P.M till the date of the meeting.

Accordingly, Special Resolution is submitted to the meeting for the consideration and approval of members.

None of the Director or Key Managerial Personnel of the Company and/or their relatives are concerned or interested in any way in this item of business.

By Order of the Board
For **ARSS Infrastructure Projects Limited**

Sd/-
(Alka Khemka)
Company Secretary

Place: Bhubaneswar
Date: 7th August, 2015

CIN: L14103OR2000PLC006230

Regd. Office-Plot No.38,
Sector-A, Zone -D,
Mancheswar Industrial Estate, Bhubaneswar, 751010
Website: www.arssgroup.in

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/
RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING
(Pursuant to Clause 49 of the Listing Agreement)**

Name of Director	Mr. Subash Agarwal	Mr. Rajesh Agarwal	Mr. S. C. Parija	Mr. B. K. Makhija	Mr. K. K. Sharma
DIN	00218066	00217823	00363608	01059280	07174947
Date of Birth	1 st January, 1965	12 th January, 1973	3 rd March, 1941	15 th August, 1951	24 th January, 1951
Date of Appointment	05 th November, 2007	17 th May, 2000	27 th November, 2007	31 st March, 2015	4 th May, 2015
Qualifications	B.Com	B. Tec. (Civil Engg.)	MA (Political Sc), MSc. (Fiscal Std.),	B.Sc (Engg), Civil Engineering	B.Sc. (Engg), Civil Engineering
Expertise in specific functional areas	Business	Business	Income Tax	Civil Engineering	Civil Engineering
List of Companies in which outside Directorship held as on 31.03.2015	1. ARSS Steel & Power Limited 2. ARSS Cement Limited 3. ARSS E to E Rail Private Limited	1. ARSS Steel & Power Limited 2. ARSS Cement Limited 3. North West Sales & Marketing Limited	Filatex India Limited	-	-
Chairman/Member of the *Committees of other Companies on which he/she is a Member as on 31.03.2015	-	-	Audit Committee- Chairman, Nomination & Remuneration Committee- Chairman, Stakeholders Relationship Committee- Member	-	-
Number of equity shares held in the Company	11,73,500	3,56,000	-	-	-



ARSS INFRASTRUCTURE PROJECTS LIMITED

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

Mancheswar Industrial Estate

Bhubaneswar-751010, Orissa, India

CIN: L14103OR2000PLC006230

Tel No.: +91-0674-2588552, 2588554 Fax: +91-0674-2585074,

E-mail: cs@arssgroup.in, response@arssgroup.in, Website: www.arssgroup.in

ATTENDANCE SLIP

L.F. No	
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No of Shares held	
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DP ID	
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Client ID	
-----------	--

I/We hereby record my/our presence at 15th Annual General Meeting of the Company on 29th September, 2015 at the Registered Office of the Company.

Name of the Member _____
(IN BLOCK LETTER)

Signature of member/proxy* _____

Note: You are requested to sign and hand this over at the entrance.

Proxy Form – MGT11

ARSS INFRASTRUCTURE PROJECTS LIMITED

Registered Office- Plot No-38, Sector-A, Zone-D
Mancheswar Industrial Estate Bhubaneswar-751010, Orissa, India
CIN: L14103OR2000PLC006230
Tel No.: +91-0674-2588552, 2588554 Fax: +91-0674-2585074,
E-mail: response@arssgroup.in, Website: www.arssgroup.in

Name of the Company: ARSS Infrastructure Projects Limited

Registered Office: Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar- 751010, Orissa, India

Website: www.arssgroup.in

Name of the Member (s) :		
Registered address:		
E-mail Id:	DP ID No.*	Client ID No.*

I / We, being the member(s) of _____ Equity Shares of ARSS Infrastructure Projects Limited, hereby appoint

- Name : _____
Address : _____
E-mail Id : _____
Signature : _____ or failing him / her
- Name : _____
Address : _____
E-mail Id : _____
Signature : _____ or failing him / her
- Name : _____
Address : _____
E-mail Id : _____
Signature : _____ or failing him / her

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 15th Annual General Meeting of the Company, to be held on 29th September, 2015 at 11.00 a.m. at the Registered Office of the Company and at any adjournment thereof, in respect of such resolutions set out in the Notice convening the meeting, as are indicated below:

Resolution No.1: To receive, consider and if thought fit, to adopt the Audited Balance Sheet as at 31st March, 2015 and the Profit and Loss Account for the year ending on that date, together with the reports of the Directors' and Auditors' thereon.

Resolution No.2: To appoint a Director in place of Mr. Subash Agarwal, who retires by rotation and being eligible, offers himself for re-appointment.

Resolution No.3: To re- appoint Statutory Auditors of the Company

Resolution No.4: Appointment of Mr. Bhushan Kumar Makhija as an Independent director

Resolution No.5: Appointment of Mr. Kamlesh Kumar Sharma as an Independent director

Resolution No.6: Revision of Remuneration of Mr. Subash Agarwal, Executive Chairman

Resolution No.7: Re-appointment and remuneration of Mr. Rajesh Agarwal, Managing Director

Resolution No.8: Ratification of remuneration of Cost Auditor for the financial year 2014-15 and 2015-16.

Resolution No.9: Waiver of recovery of excess managerial remuneration paid to Mr. Soumendra Keshari Pattanaik, Whole-time Director (Director Finance) of the company for the period from 1st April, 2011 till 31st March, 2014.

Resolution No.10: Re- appointment of Mr. Swarup Chandra Parija as an Independent director

Resolution No.11: Revision of Remuneration of Mr. Anil Agarwal (Sr. Vice President & COO)

Resolution No.12: Revision of Remuneration of Mr. Sunil Agarwal (President and CEO)

Resolution No.13: Reclassification and alteration of authorized share capital and change in capital clause of Memorandum of Association:

Signed this _____ day of _____, 2015

Affix Revenue Stamp of Rs. 1/-

Signature of Shareholder

Signature of Proxy Holder (s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Meeting.

ARSS INFRASTRUCTURE PROJECTS LIMITED

Registered Office: Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate,
Bhubaneswar-751010, Orissa, India

CIN: L14103OR2000PLC006230

Tel No.: +91-0674-2588552, 2588554 Fax: +91-0674-2585074,

E-mail: cs@arssgroup.in, Website: www.arssgroup.in

Sr. No:-

Folio No/DP ID / Client ID :

Name :

Address :

Number of Shares held :

Dear Member,

Subject: Process and Manner for Availing E-Voting facility

Pursuant to the Section 108 of the Companies Act, 2013 ("the Act") read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and of Companies (Management and Administration) Rules, 2015 as amended that the Company is pleased to offer e-voting facility to the members to cast their votes electronically as an alternative to participation at the Annual General Meeting to be held on 29th September, 2015 at 11.00 A.M.

The Company has engaged the services of National Securities Depository Limited ("NSDL") to provide e-voting facilities. The e-voting facility is available at the link [https:// www.evoting.nsdl.com](https://www.evoting.nsdl.com)

The e-voting particulars are set out below:

EVEN (E-voting event number)	User ID	Password / Pin

The e-voting facility will be available during the following voting period:

Commencement of e-voting	End of e-voting
25 th September, 2015 (9.00 A.M)	28 th September, 2015 (5.00 P.M)

INSTRUCTIONS FOR E-VOTING

Members are requested to follow the instructions mentioned hereunder for casting their vote through E-voting:

1. User ID and Initial Password for E-voting is provided in the table given on the face of this annexure to the Notice.
2. NSDL shall also be sending the User-ID and Initial password to those members whose shareholding is in dematerialized format and whose Email addresses are registered with the Company/Depository Participants. For members who have not registered their Email Id can use the details as mentioned in the table above.
3. Launch the internet browser by typing the following URL:<https://www.evoting.nsdl.com>
4. Click on "Shareholder-Login".
5. Put user ID and Password noted in step (a) above as the initial password. Click login. If are already registered with NSDL for e-voting then you can use your existing User ID and Password for Login.
6. If you are logging in for the first time, Password Change Menu appears. Change the Password of your choice with minimum 8 digits / characters or a combination thereof. Please note the new Password for all the future e-voting cycles offered on NSDL e-voting Platform. It is strongly recommended not to share your Password with any other person and take utmost care to keep your Password confidential.
7. Home page of "e-voting" opens. Click on "e-voting" : Active Voting Cycles.
8. Select "EVEN (E-Voting Event Number)" of ARSS Infrastructure Projects Limited For and EVEN, you can login any number of times on e-voting platform of NSDL till you have voted on the resolution during the voting period.

9. Now you are ready for “e-voting” as “Cast Vote” Page opens.
10. Cast your vote by selecting appropriate option and click “Submit” and also “Confirm” when prompted. Kindly note that vote once cast cannot be modified.
11. Institutional members (i.e. members other than individuals, HUF, NRIs, etc.) are also required to send scanned copy (PDF/ JPG format) of the relevant board resolution / authority letter, etc. together with the attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through email at : cs_deba@yahoo.co.in with a copy marked to evoting@nsdl.co.in. You can also forward the documents at the Company's Email ID: cs@arssgroup.in .
12. Once the vote on a resolution is cast by the shareholder s/he shall not be allowed to change it subsequently.
13. In case of any queries you may refer the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the “downloads” section of <https://www.evoting.nsdl.com> or contact NSDL by email at evoting@nsdl.co.in.
14. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the company as on the cut-off date (record date) of Tuesday, 22nd September, 2015.
15. ADP & ASSOCIATES, Firm of Practicing Company Secretaries has been appointed as the Scrutinizer to scrutinize the E-voting process/ Postal ballot in a fair and transparent manner.
16. The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the E-voting period unblock the votes in the presence of atleast two(2) witnesses not in the employment of the company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
17. The Results shall be declared on Thursday, 1st October, 2015 at the registered office of the Company. The results declared along with the Scrutinizer's Report shall be placed on the company's website www.arssgroup.in and on the website of NSDL within two (2) days of passing of the resolution and the same shall also be communicated to the Bombay Stock Exchange Limited and National Stock Exchange of India Limited where the shares of the Company are listed.

Registered Office of the Company:

Plot No. 38, Sector – A, Zone- D, Mancheswar Industrial Estate,
Bhubaneswar – 751010, Odisha
CIN- L14103OR2000PLC006230
Tel: 0674 – 2588552 / 2588554.
Fax:-0674 – 2585074. Email: cs@arssgroup.in

Share Transfer Agents:

M/s. Bigshare Services Private Limited.
Unit – ARSS Infrastructure Projects Ltd
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
e-mail: investor@bigshareonline.com
Website:www.bigshareonline.com

FORM NO.MGT-12**POLLING PAPER**

[Pursuant to Section 109 (5) of the Companies Act, 2013 and Rule 21 (1) (C) of the Companies (Management and Administration) Rules, 2014]

Name of the Company : ARSS Infrastructure Projects Limited
 CIN : L14103OR2000PLC006230
 Registered Office : Plot No -38, Sector-A, Zone- D,
 Mancheswar Industrial Estate, Bhubaneswar-751 010.
 Telephone : 0674- 2588552, 2588554
 Website : www.arssgroup.in

BALLOT PAPER

(For Annual General Meeting on 29.09.2015)

Sr. No.	Particulars	Details
1.	Name of the First Named Shareholder (In BLOCK letters)	
2.	Postal address	
3.	Registered Folio No./ *DP ID and Client ID No. (*Applicable to investors holding shares in dematerialized form)	
4.	Class of Share	Equity Shares of Rs.10/- each

I hereby exercise my vote in respect of Ordinary/ Special Resolution/s enumerated below by recording my assent or dissent to the said resolution in the following manner:

Sr. No.	Resolutions	No. of shares held by me	I assent to the resolution	I dissent from the resolution
1	To receive, consider and if thought fit, to adopt the Audited Balance Sheet as at 31 st March, 2015 and the Profit and Loss Account for the year ending on that date, together with the reports of the Directors' and Auditors' thereon.			
2	To appoint a Director in place of Mr. Subash Agarwal, who retires by rotation and being eligible, offers himself for re-appointment.			
3	To re- appoint Statutory Auditors of the Company			
4	Appointment of Mr. Bhushan Kumar Makhija as an Independent director			
5	Appointment of Mr. Kamlesh Kumar Sharma as an Independent director			
6	Revision of Remuneration of Mr. Subash Agarwal, Executive Chairman			
7	Re-appointment and remuneration of Mr. Rajesh Agarwal, Managing Director			
8	Ratification of remuneration of Cost Auditor for the financial year 2014-15 and 2015-16.			
9	Waiver of recovery of excess managerial remuneration paid to Mr. Soumendra Keshari Pattanaik, Whole-time Director (Director Finance) of the company for the period from 1 st April, 2011 till 31 st March, 2014.			
10	Re- appointment of Mr. Swarup Chandra Parija as an Independent director			
11	Revision of Remuneration of Mr. Anil Agarwal (Sr. Vice President & COO)			
12	Revision of Remuneration of Mr. Sunil Agarwal (President and CEO)			
13	Reclassification and alteration of authorized share capital and change in capital clause of Memorandum of Association:			

Place: Bhubaneswar

Date: 29.09.2015

(Signature of the shareholder)