

FOCUS

ON GROWTH 



ARSS INFRASTRUCTURE PROJECTS LIMITED

Annual Report 2009-10

FOCUS

ON GROWTH



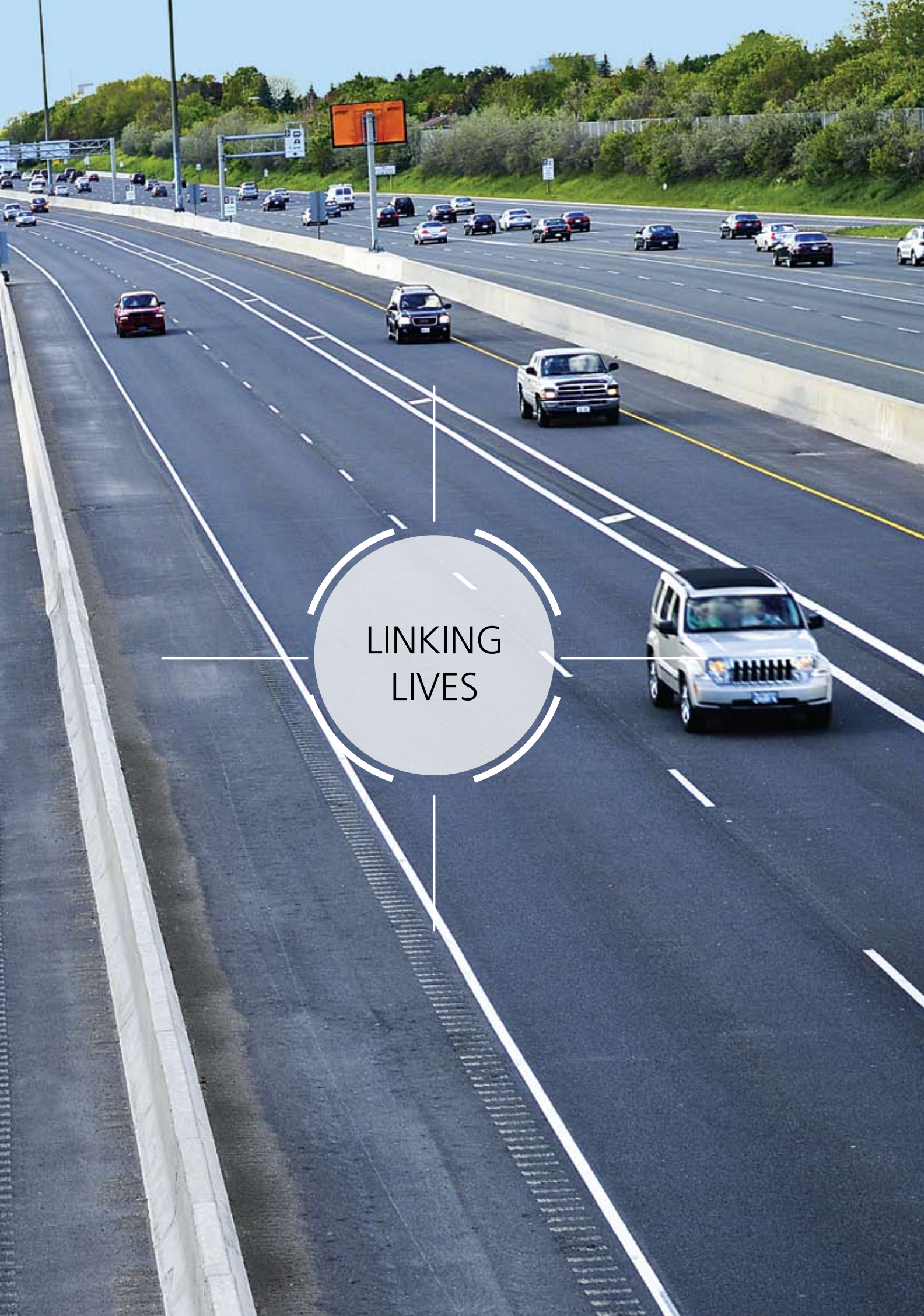
They say a nation is as good as its infrastructure. Over the years we have committed ourselves to giving India the infrastructure solutions that are the need of the hour. And parallel to this commitment, is our commitment to our stakeholders. Delivering a faultless standard of service and quality to our customers, and thereby giving growing returns to our shareholders has been our focus. A focus on quality, profitability and sustainability is the mantra that has seen us grow rapidly in the last few years. And it's one that we are committed to in the coming years, so that we can share the benefit of this growth with shareholders, employees, partners and customers alike.



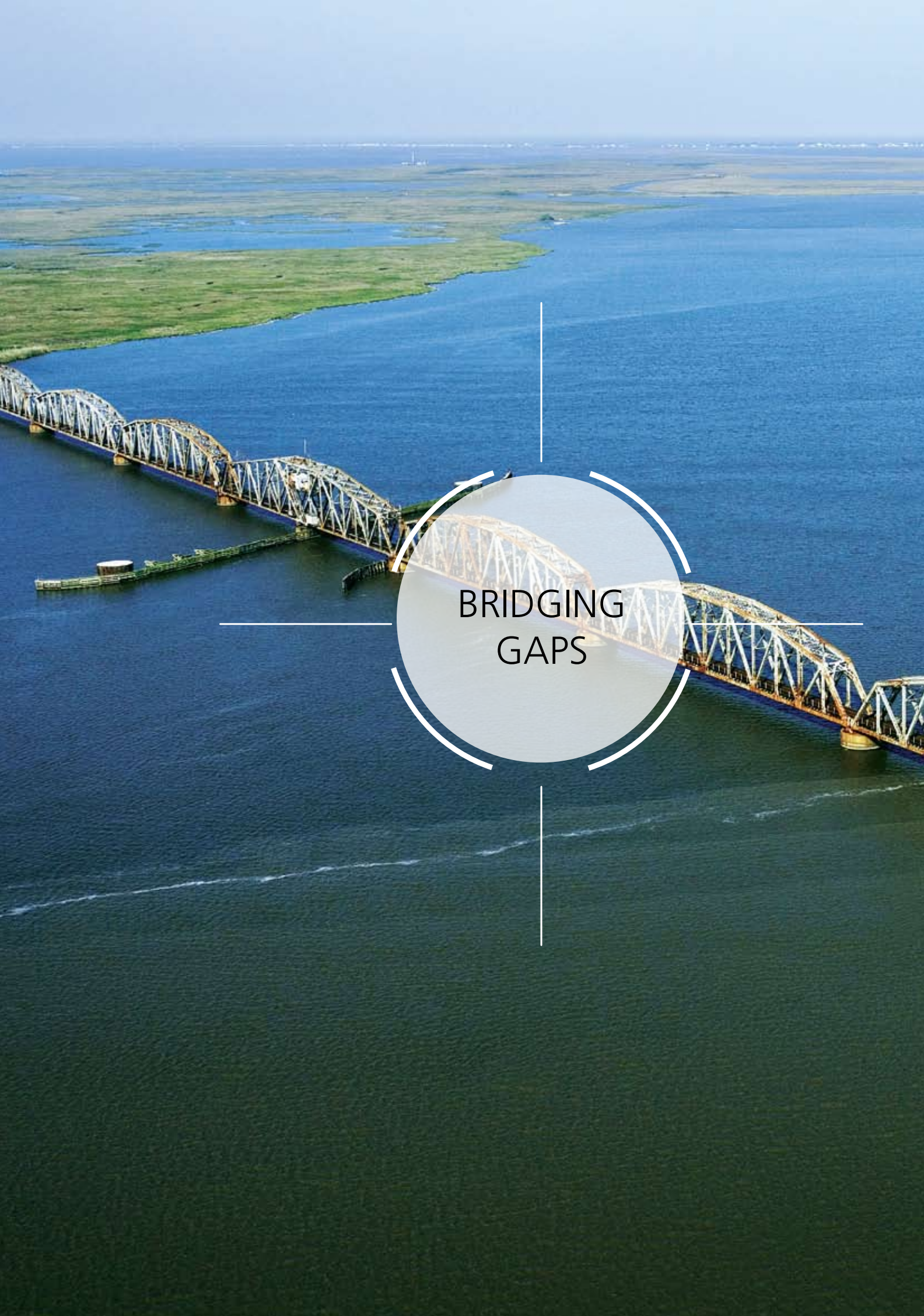
GOING THE
DISTANCE







LINKING
LIVES



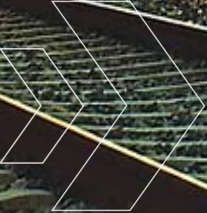
BRIDGING
GAPS



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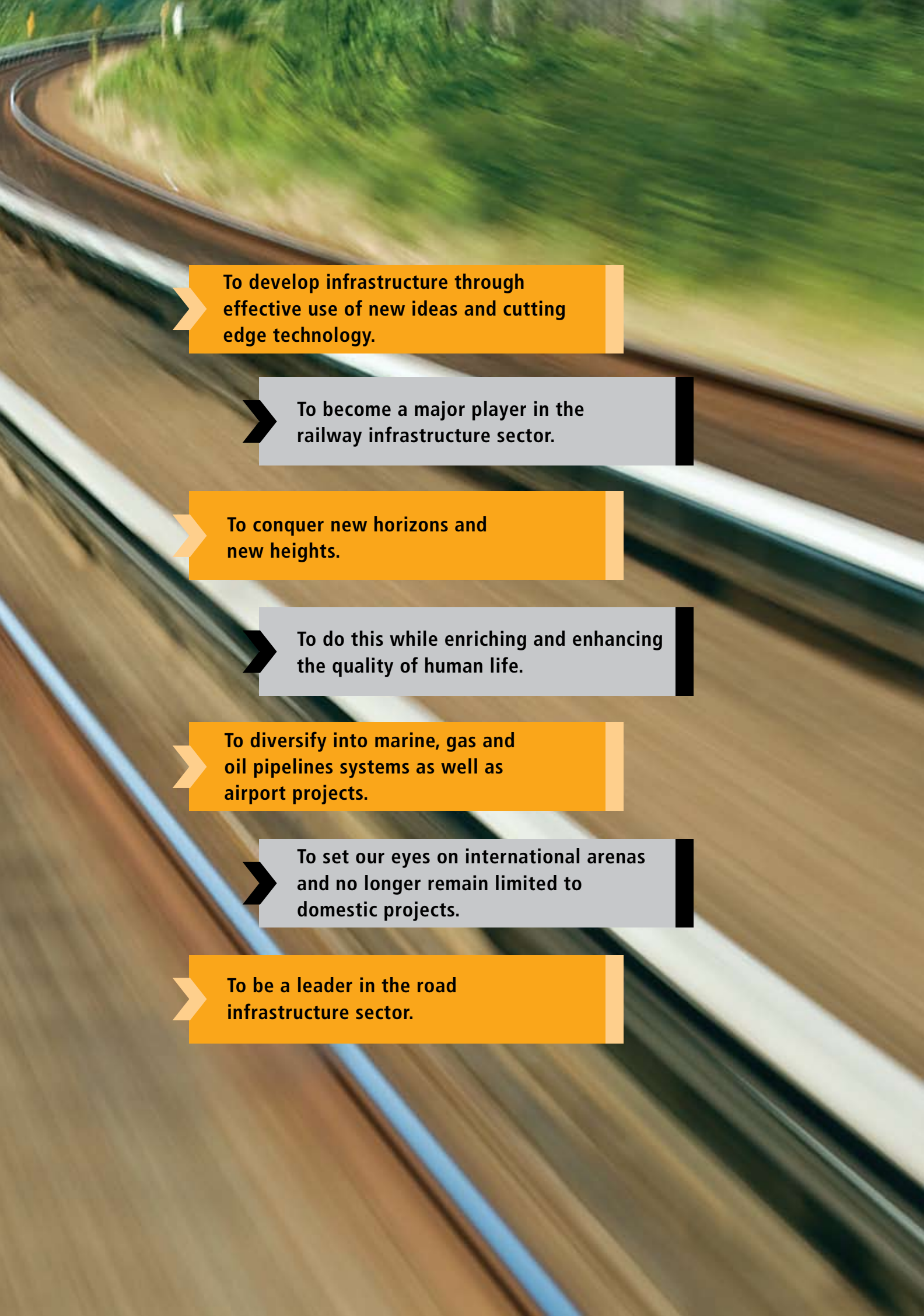
- **To be a respected global player in the infrastructure development sector.**
- **To satisfy our customers and enhance our shareholders' wealth.**
- **To have innovation and commitment as the two mantras that drive us.**
- **To attract, develop and sustain the best talents in the industry.**
- **To continue to focus on the culture of trust.**
- **To provide continuous learning opportunities while meeting the expectations of our employees, stakeholders and the community.**





MISSION





To develop infrastructure through effective use of new ideas and cutting edge technology.

To become a major player in the railway infrastructure sector.

To conquer new horizons and new heights.

To do this while enriching and enhancing the quality of human life.

To diversify into marine, gas and oil pipelines systems as well as airport projects.

To set our eyes on international arenas and no longer remain limited to domestic projects.

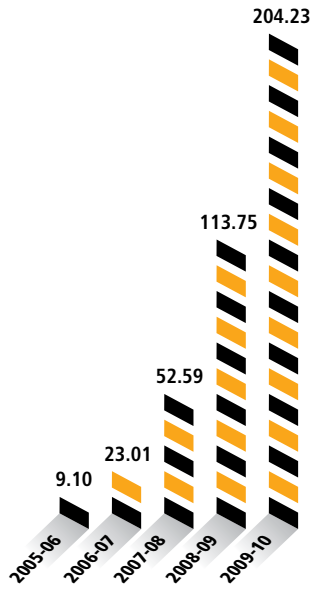
To be a leader in the road infrastructure sector.



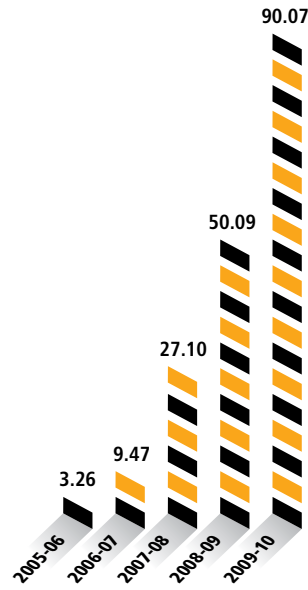
Financial Highlights

FOCUS on profitability

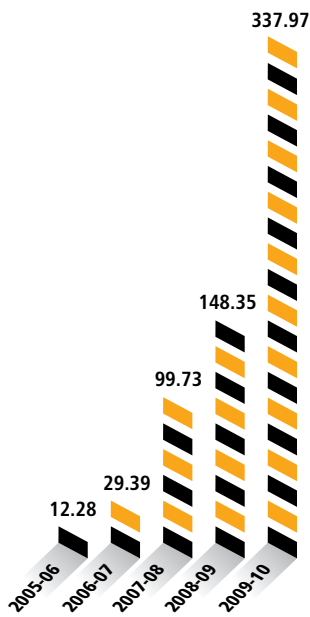
From perfection to profits



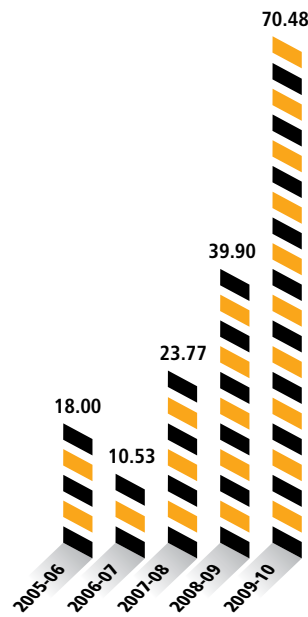
Top Line (Rs. in Crores)



Profit After Tax (Rs. in Crores)



Net Worth (Rs. in Crores)



Earning Per Share

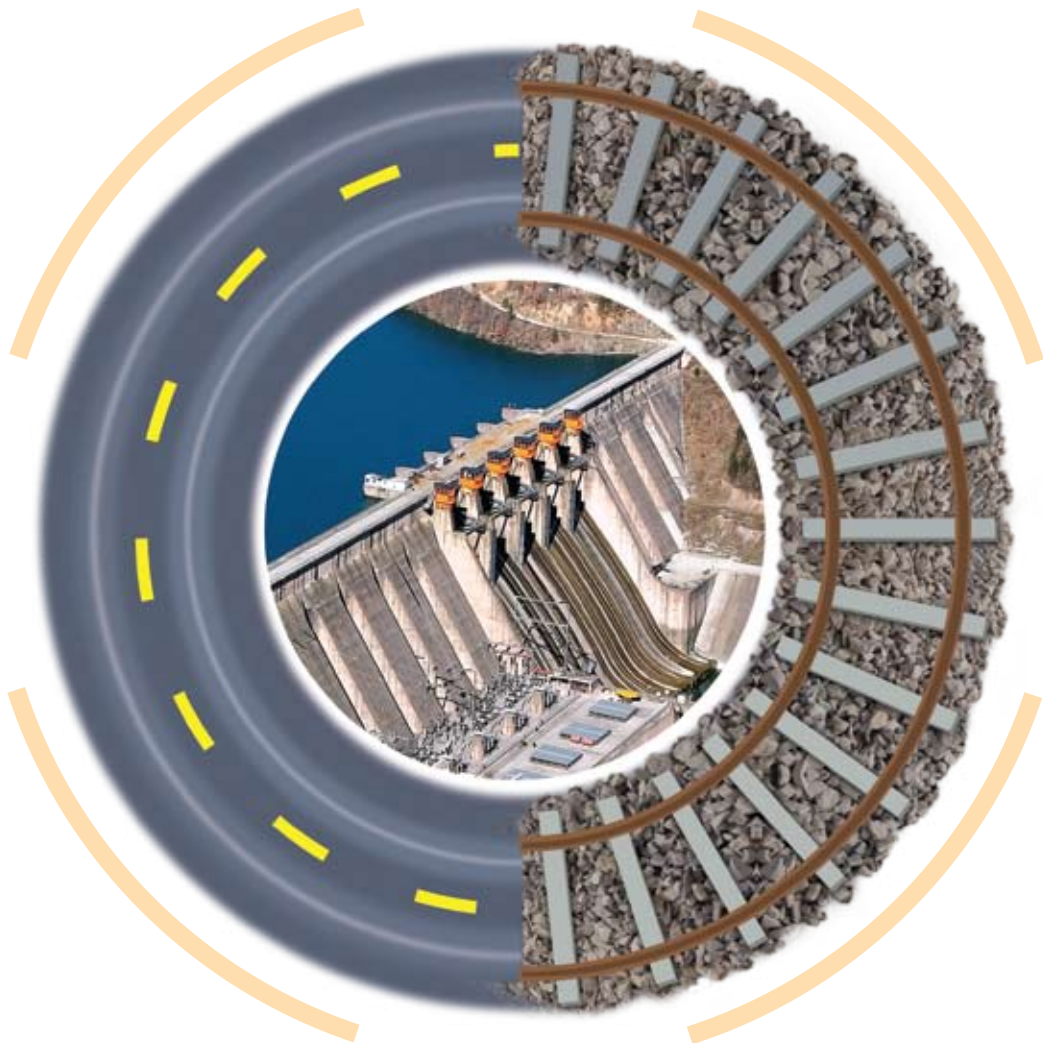


	2005-06	2006-07	2007-08	2008-09	2009-10
A. RESULT FROM OPERATION					(Rs. in Crores)
Income From Operation	9.10	23.01	52.59	113.75	204.23
EBITDA	7.46	19.50	51.21	104.96	187.70
Depreciation	1.16	1.75	3.95	7.35	13.54
Profit After Tax	3.26	9.47	27.10	50.09	90.07
B. FINANCIAL POSITION					
Share Capital	2.60	10.80	12.55	12.55	14.84
Reserves & Surplus	9.78	18.59	87.18	135.80	323.12
Net Worth	12.38	29.39	99.73	148.35	337.97
Gross Block	15.33	31.51	86.43	162.62	287.91
Net Block	12.35	26.78	77.75	146.62	258.37
Net Current Assets	30.79	54.08	215.66	358.59	698.88
C. RATIOS					
EBITDA Margin (in %)	12.39	14.66	16.38	18.65	18.85
PAT Margin (in %)	5.41	7.12	8.67	8.02	8.95
EPS (Basic in Rs.)	18.00	10.53	23.77	39.90	70.48



FOCUS on achievements

From delivery to delight



ARSS is an infrastructure company that provides end-to-end construction solutions. Our strength lies in our client-oriented policies and our relentless commitment to deadlines. We believe in sustaining long-term relationships with our clients, taking care of all their requirements and being a one-stop-shop for their infrastructure needs.



ARSS has completed over 80 projects across India, creating a solid brand name that is identified with reliability and trust. The Company has constructed over 300 km of roads and highways, 200 km of rail tracks and 10 major bridges.

- **Laurels and achievements** In 2008-09, the Company was awarded with three World Bank-assisted projects by the Government of Orissa.
- **Unprecedented growth** Registered an increase of 99% in the consolidated revenue over the previous year.
- **Strong order book** Contracts worth Rs. 2,788.37 Crores as on March 31, 2010.
- **Risk reduction** The best part of our contracts are with esteemed clients such as the government, PSUs and other government agencies, thereby reducing the risk of default and delayed payments.
- **Nurturing relationships** Maintained long-term relationship with these reputed clients with our client-centric policies. This resulted in repeat orders from the government of Orissa, Railways Department, Rail Vikas Nigam Limited and RITES.
- **Expansion into new arenas** Diversified successfully into irrigation and canal construction.
- **Growing bid capacity** Enhanced our bid capacity by strengthening our technical and financial capability and by drawing on our long years of experience. Successfully bid and procured additional projects.
- **Expertise and experience** Adequately mobilised resources including equipment, raw material and personnel at short notice while maintaining a track record of speedy completion of projects.

ARSS registered
an increase
of 99% in
consolidated
revenue.

FOCUS on quality

From laying the groundwork to leading the way

Construction accounts for 11.8% of our Gross Domestic Product. We are a strong player in this competitive market, bringing with us the right credentials, capability and decades of experience. Today, ARSS is one of the leading construction firms in eastern India. Here's a brief glance at our business portfolio.

Rail

ARSS has been associated with Indian Railways for the last ten years. We have had the opportunity of undertaking everything from survey design to final commissioning comprising engineering, procurement and construction (EPC).

We have constructed allied infrastructure such as electrification, signaling, buildings etc. In the process, not only have we acquired the right machinery but also collected the intellectual know-how and skilled manpower for executing such work.



Road

Good roads are the hallmark of a nation's progress. The roads in rural India leave much to be desired. To remedy this, not only do we provide the managerial expertise to build and repair roads but also proffer solutions to the problem of managing traffic on those roads.

Our service portfolio includes widening of roads, repair and reconstruction as well as building of new roads. We undertake fixing of congested urban roads to improve commuting time and traffic. Having built 300 km of roads across India, ARSS is putting the nation on the path of progress.





Bridge

Bridges and flyovers are essential to a rail and road network. But bridges per se are integral for holistic infrastructural development too. ARSS undertakes both these aspects of construction.

ARSS has built major bridges in various states across the country, from Orissa to Chhattisgarh, Tamil Nadu, Kerala and more. ARSS has the expertise to execute all types of bridges. We undertake building of concrete deck, PSC and steel girder bridges.

Equipped with the latest technology and know-how, we specialise in the design, construction and installation of bridges in the open, well and pile foundation.

One example of our expertise is the major flyover at Poonama Gate in the state capital of Bhubaneswar, Orissa.



Irrigation

Connecting India with a networks of canals and dams is critical to progress. ARSS has a dam project in progress in Haryana. Once completed, this impounding reservoir will store the river's baseflow of an entire year. The project comprises design and construction of spillway with radial gates, construction of other allied components.

ARSS wants to be a partner in the nation's growth by helping in the yield of successful crops year after year. With an agrarian economy, ARSS will do this by building an efficient network of canals and dams.

ARSS has been associated with Indian Railways for the last ten years. We have had the opportunity of undertaking everything from survey design to the final commissioning of railway lines.

Rail Works

FOCUS on connectivity

From rail works to relationships





Not only do we have the right machinery but also the intellectual know-how and highly skilled manpower to complete these tasks.

Our rail works encompass a large portfolio of diverse projects.

- Manual and mechanical laying out of rail tracks.
- Maintenance of railroads and rail infrastructure.
- Allied services such as construction of service buildings, railway stations and terminals.
- Building of urban railways on elevated sections.
- Survey, fixing of alignment, and designing for the railways.
- Major and minor bridges for railways.
- Fabrication and erection of steel girders for railway bridges.
- Equipping railway yards with electricity and signals.

MAJOR PROJECTS

- Sub-structures of five bridges on Rajatgarh-Barang of East-Coast Railway.
- Track, signaling and yard lighting works along the Keonjhar-Tomka line.
- Track, bridge and pavement work on the MGR link line.
- Railway siding from Gatora to inplant yard.
- Railway infrastructure works for Jindal Steel and Power Ltd. at Angul, Orissa.
- Rail connectivity and inplant rail network of Vedanta Aluminium Ltd. at Lanjigarh, Orissa.
- Track signalling and over head electricity on the Khurda Road-Barang-Rajatagarh Line of East Coast Railway.



FOCUS on linking lives

From road works to rewards



We build new roads and take care of old ones to make India's rural interiors accessible as well as to make commuting easier for urban dwellers. Completing our projects well within time is ARSS's USP. Our portfolio comprises many skill sets.

- Construction of new roads.
- Repair and reconstruction of roads in rural areas.
- Widening and strengthening of existing roads in urban areas to de-congest them and facilitate traffic.
- Construction of embankments for roads.
- Setting up teams to maintain equipments at various remote sites for efficient work flow.

MAJOR PROJECTS

- Reconstruction of the Fulnakhara-Niali-Madhab Road.
- Reconstruction of the Pipili-Nimapara-Konark-Puri road (28 km).
- Reconstruction of the Berhampur-Chikiti Road (25 km).
- Reconstruction of the Chorda-Duburi road.
- Reconstruction of the Sukinda-Ashokjhara road in Jajpur.
- Construction of the Khandagiri-Udayagiri peripheral road.
- Widening of the Bhubaneswar-Nandankanan road (4 km).



Completing our projects well within the stipulated time is ARSS's USP.



FOCUS on bridging the gap

From bridge works to building bonds of trust

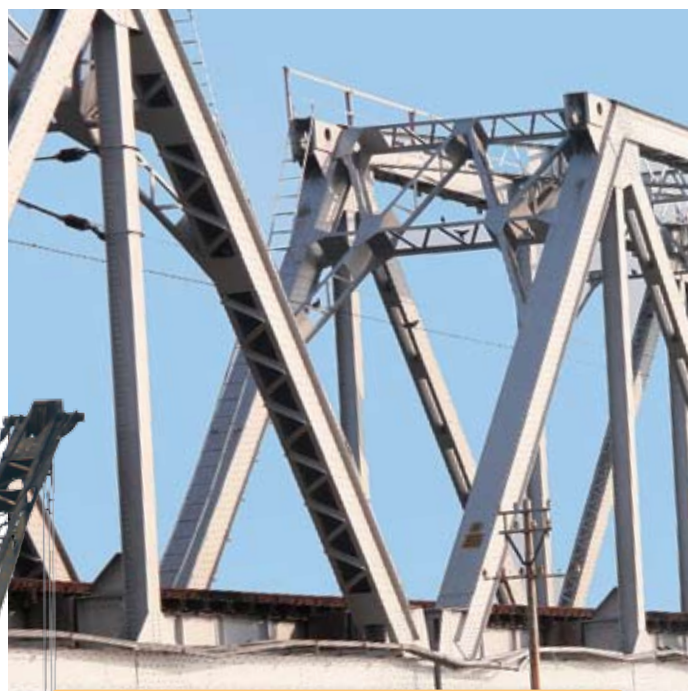
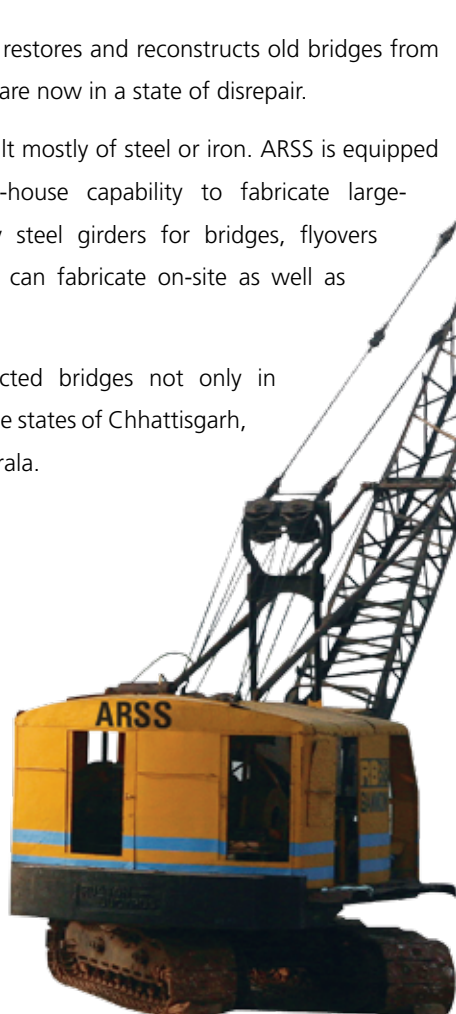
With wide rivers, numerous railway crossings and congested cities, bridges are integral to India's infrastructural development. With the demand for flyovers on the rise, ARSS undertakes bridge construction as a part of road and rail network building as well as independent bridges.

Construction is undertaken while taking into account the specifications of a particular area and the conditions that are prevalent around that river or land.

The Company also restores and reconstructs old bridges from colonial times that are now in a state of disrepair.

The bridges are built mostly of steel or iron. ARSS is equipped with a strong in-house capability to fabricate large-scale, high quality steel girders for bridges, flyovers and buildings. We can fabricate on-site as well as off-site.

ARSS has constructed bridges not only in Orissa but also in the states of Chhattisgarh, Tamil Nadu and Kerala.

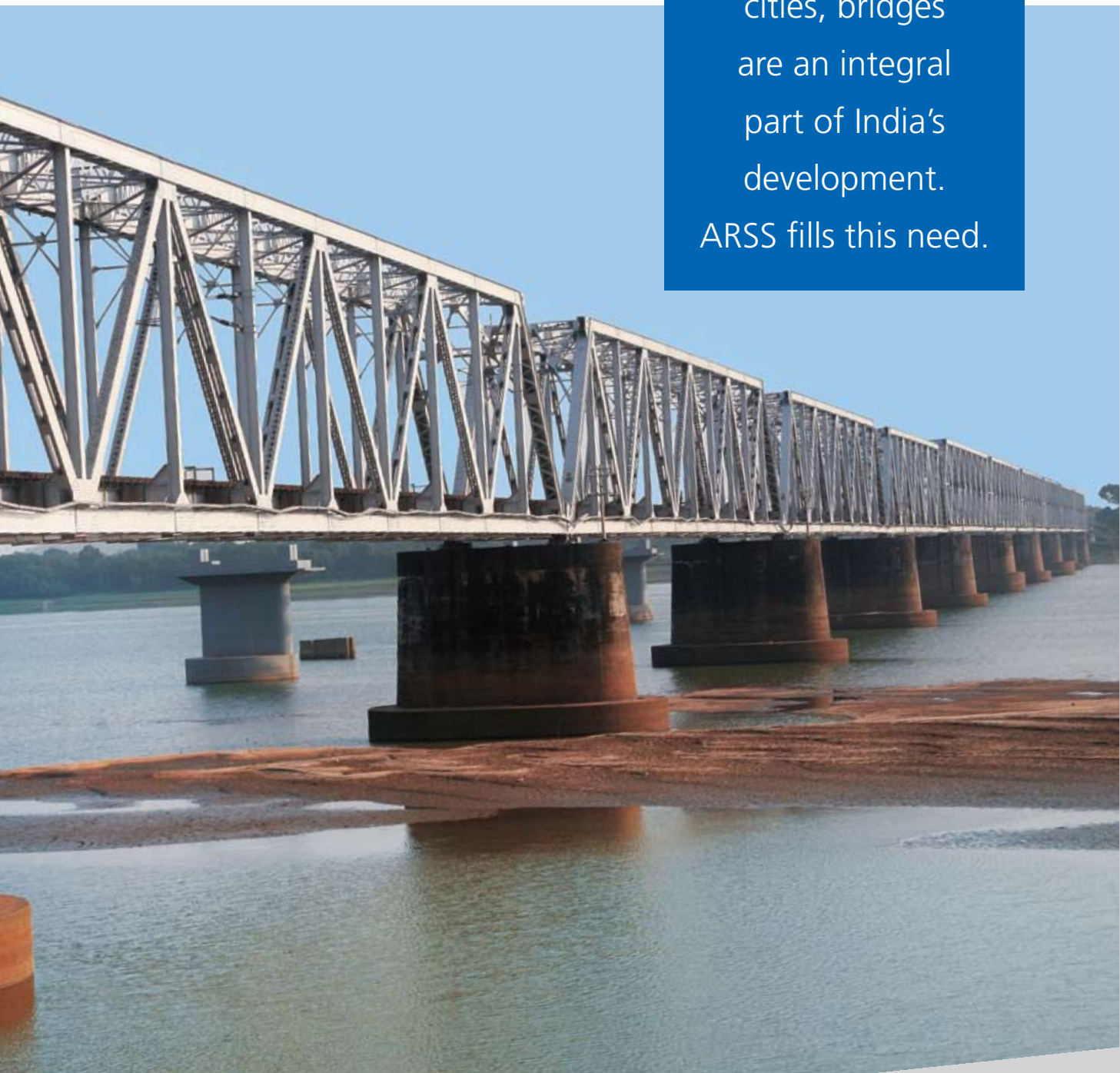


MAJOR PROJECTS

- Flyover at Poonama Gate in Bhubaneswar, Orissa.
- Sub-structure for five major bridges between Rajathagarh-Barang.
- Steel girder bridge, 30.5 metres in span, in the railway siding from Gatora to the in-plant yard.
- Four rail overbridges in the Railway siding from Gatora to in-plant for NTPC Sipat.
- Three PSC girder bridges from Sipat to Dipka for MGR system of NTPC Sipat.
- Five major bridges for Vedanta Aluminium Ltd. at Lanjigarh.

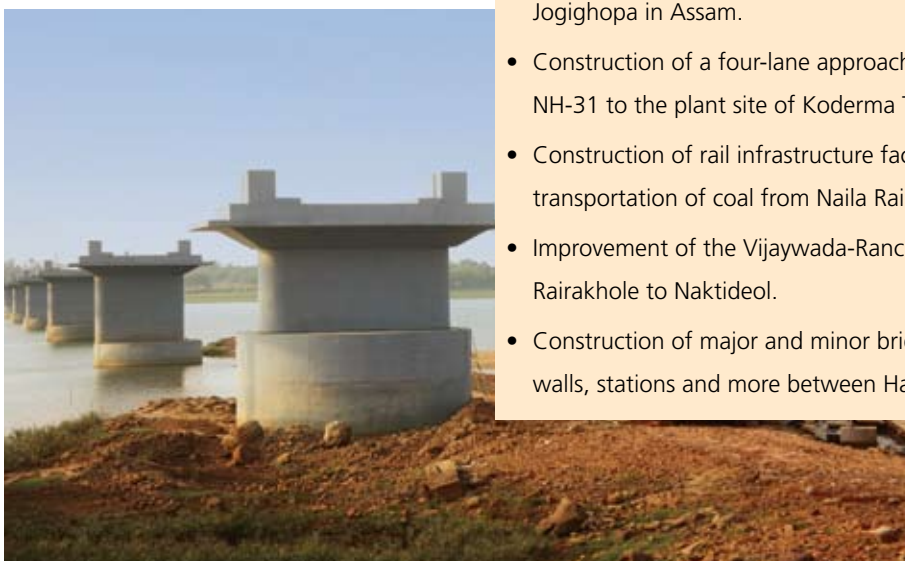


With rivers and congested cities, bridges are an integral part of India's development. ARSS fills this need.



FOCUS on competence

From performance to proficiency



Ongoing Projects

- Widening and strengthening of the Chandbali-Bhadrak-Anadpur carriageway to two lanes.
- Widening and strengthening of the Bhawanipatna-Khariar Carriageway to two lanes.
- Widening and strengthening of the Berhampur-Taptapani carriageway to two lanes.
- Construction of bridges, platforms, station buildings, passenger amenities, platform shelters and more between Tirunelveli and Tenkasi junctions.
- Construction of pavements and repair of the Cuttack-Paradeep Road.
- Enabling railway connectivity to coal and iron ore yards under Civil Works Phase I, ENNORE.
- Construction of station buildings, platforms, approach road, service building and more for the BG Railway line from New Maynaguri in West Bengal to Jogighopa in Assam.
- Construction of a four-lane approach road from NH-31 to the plant site of Koderma TPS in Jharkhand.
- Construction of rail infrastructure facility for transportation of coal from Naila Railway Station.
- Improvement of the Vijaywada-Ranchi corridor from Rairakhole to Naktideol.
- Construction of major and minor bridges, retaining walls, stations and more between Harsauli-Rewari.



Future Projects

- Widening and reconstruction of Shahdol-Singhpur-Turla-Pandariya Road.
- Construction of a road from RWB Junction to NH-64.
- Rehabilitation and upgradation of existing tracks inside plant premises.
- Improvement of the Koraput-Laxmipur-Rayagada road under the Vijaywada-Ranchi Corridor.
- Construction of rail overbridge with approaches near canal crossing no. 88/112 on NH-42.
- Improvement to the Jeypore-Kota-Malkangiri-Motu road under the Vijaywada-Ranchi Corridor.
- Construction of a bridge over River Bansadhara in district Rayagada.
- Construction of new tracks and rehabilitation of existing tracks in Rolling Mills Yard.
- Manufacturing and supplying of 50 mm size machine crushed ballast on cess berm of railway embankment and station yards between Silapathar-Murkongselek.
- Manufacturing and supplying of 50 mm size machine crushed stone ballast on cess berm of railway embankment and station yards between Gogamukh-Silapathar.
- Repair and reconstruction of NH-6 to Kansar road in district Sambalpur.

FOCUS on achievements

From efforts to expertise



Dear Shareholders,

At the very outset, I would like to share with all of you my deep satisfaction over the results achieved by your Company. The year 2009-10 has been a historic one. During the year, not only did the turnover of the Company cross the Rs. 1,000 Crore mark, but the Company also got listed. It gives me great pleasure to place before you the 10th Annual Report on the Company's performance and achievements.

One of the greatest marks of confidence in a Company is a public's acceptance of its story. I am happy to tell you that our IPO was oversubscribed by 51 times with an issue

The year 2009-10 has been a historic one. Not only did the turnover of your Company cross the Rs. 1000 Crore mark, but the Company also got listed.



price of Rs. 450 per share. The investors of the Company are being handsomely rewarded with excellent capital appreciation in their investment since listing with an almost immediate and substantial appreciation of the price. It's something that gives me great personal satisfaction, since one of the credos of the Company is to be able to share our success with our shareholders.

With India being one of the fastest growing economies in the world, we have a tremendous opportunity before us. Over the last year, your Company has grown on a large scale across all the segments of the infrastructure sector and has successfully emerged as one of the largest players in India. During the year, we executed some major railway and road projects to the best satisfaction of the clients and thereby enhanced the brand value of ARSS Infrastructure Projects Ltd.

It gives me great pleasure to share with you the highlights of our performance of the last year. Your Company has recorded a consolidated revenue of Rs. 1,013.09 Crore for the year ended 31st March 2010, an increase of 61.26% over Rs. 628.24 Crore in the financial year 2008-09. EBITDA stands at Rs. 187.70 Crore, an increase of 78.83% as compared to Rs.104.96 Crore in the previous year. Net profit after tax is Rs. 90.10 Crore, up by 79.88% from Rs. 50.09 Crore as recorded in the previous year. The EPS for the financial year 2009-10 is Rs. 70.48 as compared to Rs. 39.90 for the financial year 2008-09, a significant growth of 76.72%.

The economic recovery in the Indian economy is bringing a lot of opportunities to all the major players in this sector. This will give rise to fresh challenges as well as opportunities for new methods and technologies of construction, execution and creation of innovative projects in the infrastructure sector. This will add immense value to all stakeholders of the Company.

The coming financial year heralds a lot of new opportunities for your Company. And we are gearing up with make the most of these opportunities. Our focus remains on building a culture of quality and trust. And on building longstanding relationships with our customers and partners. As we proceed to harness all the resources with the cooperation of all stakeholders, I express my sincere gratitude to all. Thank you to all the stakeholders, including the employees of the Company, for your hard work, dedication and sincerity. I am also thankful to all our clients for reposing their faith and confidence in us and to our bankers and other lenders for their continued support.

I look forward to a year of greater growth, and a greater reward for all those who have placed their faith in us – our customers, our partners, our employees and our shareholders.

Best regards,

Yours sincerely

(Subash Agarwal)

Chairman

CSR

FOCUS on sustainability

From profits to people



We are projecting an investment of about 1% of our annual profits to CSR every year.

Since inception, ARSS has worked tirelessly to enrich society. As one of the biggest infrastructure companies in eastern India, we acknowledge our corporate social responsibility. The ARSS Charitable Trust is dedicated to undertake CSR activities.

We have spent Rs. 39.58 lacs, excluding our expenditure in rural areas, on development works such as educational facilities, sports and cultural activities, medical relief and women and child welfare. We also run a school for tribal children at our Tapang Crusher Site.

We intend to undertake many more such activities in the future by committing to invest about 1% of annual profits to CSR every year.

ARSS will make every effort to uphold its corporate social responsibility to help make the world a better place for the society in which it operates.

Company Information

Executive

Mr. Subash Agarwal (Chairman)
Mr. Rajesh Agarwal (Managing Director)
Mr. S. K. Pattanaik (Director Finance)
Mr. S. S. Chakraborty (Director Technical)

Non-Executive

Dr. B. Samal (Independent Director)
Mr. S. C. Parija (Independent Director)
Mr. S. R. Chaudhuri (Independent Director)
Mr. Dipak Kumar Dey (Independent Director)

Company Secretary cum Compliance Officer

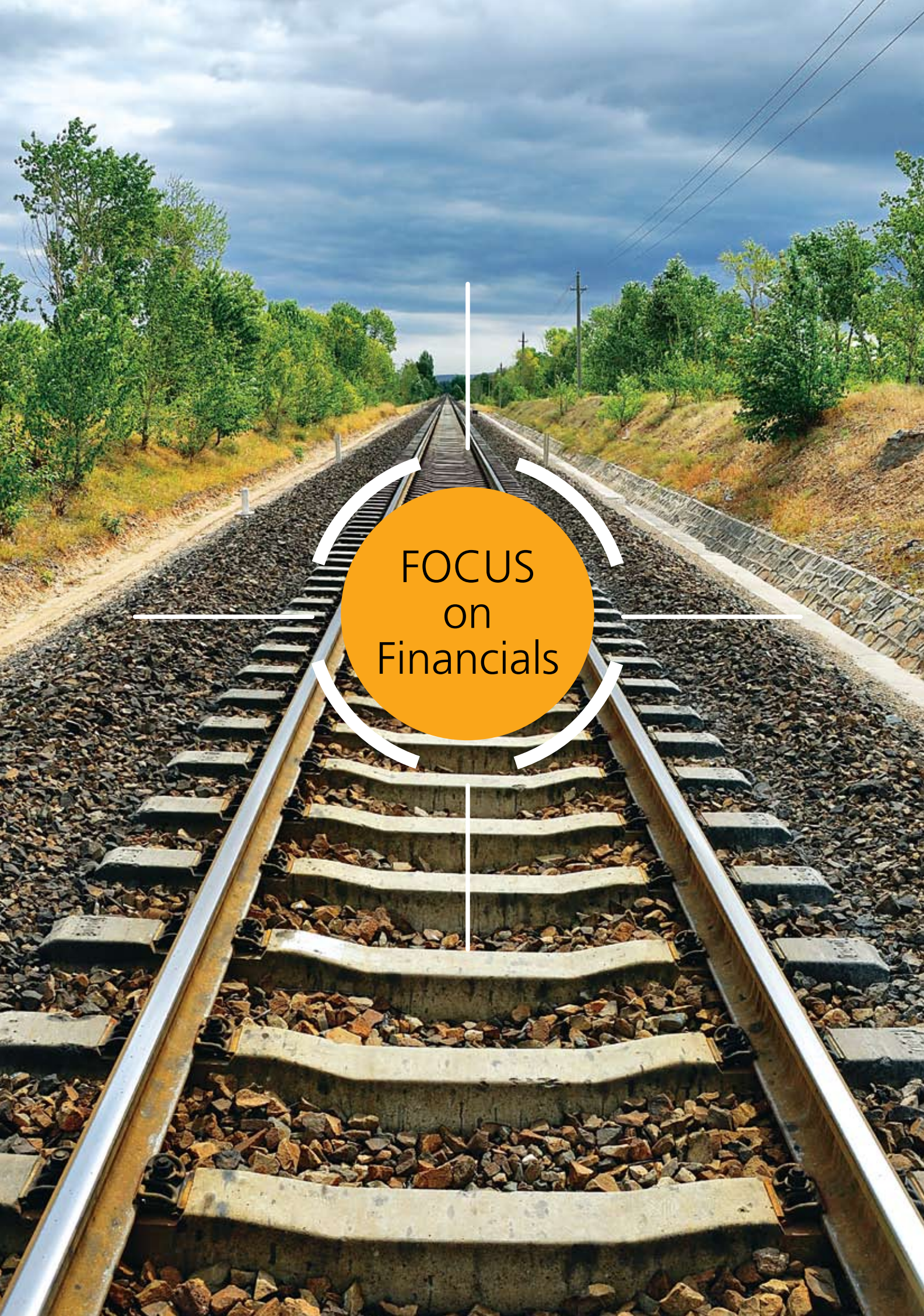
Mr. Bibbhuti Bhusan Sahoo

Auditors

P. A & Associates
20, Govind Vihar, Bomikhal ,
Bhubaneswar, Orissa-751010.

BANKERS

- 1. STATE BANK OF INDIA**
Commercial Branch,
Idcol House Ground Floor,
Bhubaneswar, Khurda,
Bhubaneswar, Orissa - 751001.
- 2. ICICI Bank Ltd.**
"OM Tower" 7th Floor,
P-16, Kalakar Street,
Kolkata - 700007
India.
- 3. IDBI Bank Ltd.**
IDBI House 2nd Floor,
MCG Janpath, Unit-IX,
Bhubaneswar - 751022.
- 4. Bank of India**
HIG -1/65, BDA Colony,
Bhimatangi, Kapila Prasad,
Bhubaneswar,
Khurda, Orissa - 751001.
- 5. Exim Bank Ltd.**
Centre One Building, Floor - 21,
World Trade Centre Complex,
Cuffe Parade,
Mumbai - 400005.



FOCUS
on
Financials

Notice

Notice is hereby given that the Tenth Annual General Meeting of the Members of ARSS INFRASTRUCTURE PROJECTS LIMITED will be held on Monday, the 26th July, 2010 at 11.30 A.M. at Registered Office of the Company at Plot No.38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar-751010, Orissa 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, 2010 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. S. C. Parija, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. S. R. Chaudhuri, who retires by rotation and being eligible, offers himself for re-appointment.
4. To confirm payment of interim dividend as final dividend.
5. To appoint Auditors of the Company.

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

"RESOLVED THAT M/s P. A. & Associates, Chartered Accountants, Bhubaneswar, be and are hereby reappointed as Statutory Auditors of the Company to hold offices from the conclusion of this Meeting till the conclusion of the next Annual General Meeting of the Company and that the Board of Directors be and are hereby authorised to fix their remuneration for the period."

SPECIAL BUSINESS:

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

"RESOLVED THAT in supersession to the resolution passed in the Extra-ordinary General Meeting held on 5th January, 2009 and in terms of the provisions of Sections 198, 269, 309 and 316 read with schedule-XIII and all other applicable provisions, if any, of the Companies Act, 1956 and such other consents and approvals as may be required, approval of the Company be and is hereby accorded for payment of remuneration of Rs.12,50,000/- (Rupees twelve lacs fifty thousand only) consolidated per month to Sri Subash Agarwal, Chairman of the Company with effect from 1st April, 2010 with 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.

"RESOLVED FURTHER THAT 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 Sri Subash Agarwal as minimum remuneration as per Schedule-XIII of the Companies Act, 1956.

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution.

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

"RESOLVED THAT in supersession to the resolution passed in the Extra-ordinary General Meeting held on 5th January, 2009 and in terms of the provisions of Sections 198, 269, 309 and 316 read with schedule-XIII and all other applicable provisions, if any, of the Companies Act, 1956 and such other consents and approvals as may be required, approval of the Company be and is hereby accorded for payment of remuneration of Rs. 7,50,000/- (Rupees seven lacs fifty thousand only) consolidated per month to Sri. Rajesh Agarwal, Managing Director of the Company with effect from 1st April, 2010 with 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.

"RESOLVED FURTHER THAT 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 Sri Rajesh Agarwal as minimum remuneration as per Schedule-XIII of the Companies Act, 1956.

“RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution.

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

“RESOLVED THAT in supersession to the resolution passed in the Extra-ordinary General Meeting held on 16th June, 2008 and in terms of the provisions of Sections 198, 269, 309 and 316 read with Schedule-XIII and all other applicable provisions, if any, of the Companies Act, 1956 and such other consents and approvals as may be required, approval of the Company be and is hereby accorded for payment of remuneration of Rs. 1,50,000/- (Rupees one lacs fifty thousand only) consolidated per month to Sri. S. S Chakraborty, Director (Technical) of the Company with effect from 1st April, 2010 with 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.

“RESOLVED FURTHER THAT 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 Sri S. S. Chakraborty as minimum remuneration as per Schedule-XIII of the Companies Act, 1956.

“RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution.

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

“RESOLVED THAT in supersession to the resolution passed in the Extra-ordinary General Meeting held on 16th June, 2008 and in terms of the provisions of Sections 198, 269, 309 and 316 read with Schedule-XIII and all other applicable provisions, if any, of the Companies Act, 1956 and such other consents and approvals as may be required, approval of the Company be and is hereby accorded for payment of remuneration of Rs. 1,50,000/- (Rupees one lacs fifty thousand only) consolidated per month to Sri. S. K. Pattanaik, Director (Finance) of the Company with effect from 1st April, 2010 with 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.

“RESOLVED FURTHER THAT 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 Sri. S. K. Pattanaik as minimum remuneration as per Schedule-XIII of the Companies Act, 1956.

“RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution.

10. To consider and, if thought fit, to pass with and without modification, the following resolutions as a Special Resolution.

A) RESOLVED THAT consent of the members of the Company is hereby accorded in terms of Section 314 of the Companies Act, 1956, and subject to the approval of Central Government for enhancement of salary of Mr. Sunil Agarwal as President & Chief Executive Officer of the Company who is a relatives of the Directors to Rs. 7,50,000/- (Rupees seven lacs fifty thousand only) per month consolidated w.e.f 1st April, 2010 for a period of 5 years.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to alter and vary the terms and conditions regarding this remuneration and also authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution.

B) RESOLVED THAT consent of the members of the Company is hereby accorded in terms of Section 314 of the Companies Act, 1956, and subject to the approval of Central Government for enhancement of salary of Mr. Anil Agarwal as Sr. Vice President & Chief Operating Officer of the Company who is a relatives of the Directors to Rs. 7,50,000/- (Rupees seven lacs fifty thousand only) per month consolidated w.e.f 1st April, 2010 for a period of 5 years.



RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to alter and vary the terms and conditions regarding this remuneration and also authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution.

- C) RESOLVED THAT consent of the members of the Company is hereby accorded in terms of Section 314 of the Companies Act, 1956, and subject to the approval of Central Government for enhancement of salary of Mr. S. K. Singla as VP & Project Head of the Company who is a relatives of the Directors to Rs. 7,50,000/- (Rupees seven lacs fifty thousand only) per month consolidated w.e.f 1st April, 2010 for a period of 5 years.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to alter and vary the terms and conditions regarding this remuneration and also authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution.

11. To consider and, if thought fit, to pass with and without modification, the following resolution as an ordinary Resolution.

RESOLVED THAT the consent of the Members is hereby accorded to the Company to pay a sitting fee of Rs. 20,000 for attending the committee meetings in terms of provision of Section 310 of the Companies Act, 1956 read with Article 119 of Articles of Association of the Company.

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

Place: Tirupati
Date: 27th April, 2010

(B.B. Sahoo)
Company Secretary

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. HOWEVER PROXY FORMS SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING IN ORDER TO BE EFFECTIVE.**
2. Register of members and share transfer books of the Company shall remain closed from Wednesday, the 21st July, 2010 to Monday, the 26th July, 2010 (Both days inclusive).
3. 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 on the Company. Useful information on various services being provided to the investors is also available on the website of the Company.
4. All the investor related communication may be addressed to
Company Secretary and Compliance Officer
Sector-A, Zone-D, Plot No. 38,
Mancheswar Industrial Estate,
Bhubaneswar-751010
Tel.: 0674 - 2588552, 2588554, Fax: 0674 - 2585074.
5. Members/proxies are requested to kindly take note of the following:
 - a. Copies of Annual Report will not be distributed at the venue of Annual General Meeting.
 - b. Bring their Attendance slip sent herewith duly completed and signed for attending the meeting.
 - c. Entry to the meeting hall will be strictly on the basis of the entrance slip to be made available at the counters at the venue, to be exchanged with the duly completed and signed Attendance Slip.
6. Members are requested to send their queries on the operations of the Company, if any to reach the Company's Registered Office at least 10 days before the meeting so that the information could be complied in advance.

7. Members may please note that briefcase, bag, mobile phone and eatables will not be allowed to be taken inside the venue of the meeting for security reasons.
8. Members are requested to notify immediately any change in their address directly to their Depository Participant in case they hold shares in dematerialised form or to the Company's Registrar & Transfer Agents, in case they hold shares in physical form.
9. The brief resume of the Directors seeking reappointment at the Annual General Meeting are:

Mr. Swarup Chandra Parija is an Independent Director of our Company. He holds a Master's Degree in Political Science from Allahabad University and a Master's Degree in Fiscal Studies from University of Bath (U.K). During his 38 years of services with the Government of India, he was involved in various administrative assignments as the Director of Income-tax Investigation, Commissioner of Income-tax and Director General of Income-tax, Investigation. He has also served as Chairman of Income-Tax Settlement Commission and as Chief of Administration and Finance of All India Institute of Medical Sciences. Presently, he is the Chairman of the Executive Committee of International Fiscal Association, Northern Region (India). He joined our Board on 27th November, 2007. He is holding Directorship in Filatex India Limited.

Mr. Sujit Ranjan Chaudhuri is an Independent Director of our Company. He holds Bachelor's Degree in Civil Engineering. He was employed with the Indian Railways in various capacities for 36 years and retired as the General Manager, East Coast Railway. Mr. Chaudhuri was involved in execution of overseas projects and his work profile included Management of International Tender documents, finalisation of tenders and Management of International contracts. He is having through knowledge in Railway Infrastructure and has also authored various books on construction of buildings and rail infrastructure such as "Transport Infrastructure – Role of Railways as cost effective transport provider and future challenges," "Rail Infrastructure – Development in Orissa," "Analysis of Construction Cost and Problems of financial Viability of Calcutta Metro Railway" etc., to name a few. He joined our Board on 27th November, 2007.

Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956

ITEM NO. 6

The Company had appointed Mr. Subash Agarwal as Executive Chairman of the Company at the Extra-ordinary General Meeting of the Company held on 28th December, 2007 for a period of 5 years. Keeping in view, his enhanced responsibility and his rich and diversified experience in the Industry and his professional services for the Company, it is deemed appropriate to increase the remuneration as set out in the resolution.

The shareholders of the Company are requested to accord their approval for the same by passing ordinary resolution as per Item No. 6.

The Notice and the explanatory statement may also be treated as an abstract of the terms of appointment and payment of remuneration to the above named Whole time Chairman as required to be circulated under Section 302 of the Companies Act, 1956.

None of the Directors except Mr. Subash Agarwal and Mr. Rajesh Agarwal are, in anyway, concerned or interested in the resolution set out at Item No. 6 of the notice.

Your Directors recommend the resolution as set out in Item No. 6 of the notice for your approval.

ITEM NO. 7

The Company had appointed Mr. Rajesh Agarwal as Managing Director of the Company at the Extra-ordinary General Meeting of the Company held on 27th September, 2006 for a period of 5 years. Keeping in view, his enhanced responsibility and his rich and diversified experience in the Industry and his professional competence and the prevailing remuneration in the industry, it will be appropriate to increase his remuneration as set out in the resolution.

The shareholders of the Company are requested to accord their approval for the same by passing ordinary resolution as per Item No. 7

The Notice and the explanatory statement may also be treated as an abstract of the terms of appointment and payment of remuneration to the above named Whole time Chairman as required to be circulated under Section 302 of the Companies Act, 1956.



None of the Directors except Mr. Subash Agarwal and Mr. Rajesh Agarwal are, in anyway, concerned or interested in the resolution set out at Item No. 7 of the notice.

Your Directors recommend the resolution as set out in Item No. 7 of the notice for your approval.

ITEM NO. 8

The Company had appointed Mr. S.S Chakraborty, as Director (Technical) of the Company at the Extra-ordinary General Meeting of the Company held on 28th December, 2007 for a period of 5 years. Keeping in view his varied experience and his indispensable service to the Company and also the type of the responsibility shouldered by him, it is deemed appropriate to increase the remuneration as set out in the resolution.

The shareholders of the Company are requested to accord their approval for the same by passing ordinary resolution as per Item No. 8.

The Notice and the explanatory statement may also be treated as an abstract of the terms of appointment and payment of remuneration to the above named Whole-time Director as required to be circulated under Section 302 of the Companies Act, 1956.

None of the Directors except Mr. S. S Chakraborty are, in anyway, concerned or interested in the resolution set out at Item No. 8 of the notice.

Your Directors recommend the resolution as set out in Item No. 8 of the notice for your approval.

ITEM NO. 9

The Company had appointed Mr. S. K. Pattanaik as Whole-time Director of the Company at the Extra-ordinary General Meeting of the Company held on 30th September, 2006 for a period of 5 years. Keeping in view the step rise in the cost of living, general erosion in the value of rupee, increase in the responsibilities shouldered and their rich and diversified experience in the industry, it is deemed appropriate to increase their remuneration as set out in the resolution.

The shareholders of the Company are requested to accord their approval for the same by passing ordinary resolution as per Item No. 9.

The Notice and the explanatory statement may also be treated as an abstract of the terms of appointment and payment of remuneration to the above named Whole time director as required to be circulated under Section 302 of the Companies Act, 1956.

None of the Directors except Mr. S. K. Pattanaik are, in anyway, concerned or interested in the resolution set out at Item No. 9 of the notice.

Your Directors recommend the resolution as set out in Item No. 9 of the notice for your approval.

ITEM NO. 10

As per provision of Section 314 of the Companies Act, 1956 no Directors or relatives of such Directors shall hold office or place of profit as defined in the above Section read with Section 309 of the Companies Act, 1956 without prior approval of Share holders and Central Government where the monthly remuneration exceeds Rs. 50,000. Therefore consent of members in general meeting is necessary for further compliance under the above Section. If any remuneration would be agreed then the requisite compliance under the above Section would be taken in to consideration.

A brief profile of officials is given below for consideration.

Mr. Anil Agarwal, aged 42 years, is the Senior Vice President & Chief Operating Officer of our Company. He is a commerce graduate from Behrampur University. Mr. Anil Agarwal has 16 years of work experience in the field of construction. He has worked as Proprietor of M/s Anil Agarwal. He has joined the Present Position from 1st November, 2007. He is in exclusive employment of our Company and holds no other office of profit. His Present emulements of Rs. 34,80,000/- per annum was approved by the Central Government. He is the brother of Mr. Subash Agarwal, Chairman and Mr. Rajesh Agarwal, Managing Director of the Company.

Mr. Sunil Agarwal, aged 35 years, is the President and Chief Executive Officer of our Company. He is a commerce graduate from Utkal University. Mr. Sunil Agarwal has 12 years of work experience in the field of construction. He has worked as Partner of ARSS Construction Company. He has joined the Present Position from 1st November, 2007. He is in exclusive employment of our Company and holds no other office of profit. His Present emulements of Rs. 34,80,000/- per

annum was approved by the Central Government. He is the brother of Mr. Subash Agarwal, Chairman and Mr. Rajesh Agarwal, Managing Director of the Company.

Mr. S. K. Singla, aged 46 years, is the VP (Project Head) of our Company. Mr. S. K. Singla is qualified as B. Tech. (Civil). He has 17 years of work experience in the field of civil engineering. He has worked as Proprietor of Messrs. Shivam Construction. He has joined the Present Position from 1st November, 2007. He is in exclusive employment of our Company and holds no other office of profit. His Present emulements of Rs. 42,00,000/- per annum was approved by the Central Government. He is the brother in law of Mr. Subash Agarwal, Chairman and Mr. Rajesh Agarwal, Managing Director of the Company.

The shareholders are requested to approve the above appointments on such terms and conditions set out in the resolution.

None of the Directors except the proposed appointee and Mr. Subash Agarwal and Mr. Rajesh Agarwal are, in anyway, concerned or interested in the resolution set out at Item No.10 of the notice.

ITEM NO. 11

The Company proposes to enhance sitting fees payable to Directors/members of the committee for attending meetings in terms of Section 310 of the Companies Act, 1956 and Articles of Association of the Company. The said Section provides Companies with paid up capital and free reserves of rupees ten crores and above to pay a sitting fee to Directors/ members of the committee upto a limit of Rs. 20,000 per meeting. Our Company having Rs. 338.00 Crores as paid up capital and free reserves can pay a sitting fee of Rs. 20,000 per meeting of the Board or it's committee. The Company at present is paying Rs. 20,000 as sitting fee for attending Board Meeting and is proposing to pay a sitting fees of Rs. 20,000 for attending any committee meeting of the Board.

None of the Directors except Independent Directors are in anyway concerned or interested in the resolution set out at Item No. 11 of the notice.

The shareholders are requested to approve the above resolution.

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

Place: Tirupati
Date: 27th April, 2010

(B. B. Sahoo)
Company Secretary

Directors' Report

Your Directors have pleasure in presenting the Tenth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2010.

1. Financial Highlights:

(Rs. in Crores)

Particulars	2009-10	2008-09
Sales & Other Income	1,013.09	628.24
Profit before Depreciation, Interest and Tax	187.70	104.96
Less : Depreciation	13.54	7.35
Interest	53.07	27.02
Profit Before Tax	121.09	70.59
Less : Tax Expenses		
a) Current Year	25.33	15.49
b) Earlier Year	—	1.02
c) Deferred Tax	5.68	3.71
d) Fringe Benefit	—	0.26
Profit After Tax	90.07	50.09
Balance brought forward from previous year	86.34	40.23
Amount Available for Appropriation	176.42	90.31
Appropriations		
a) Dividend	2.97	1.25
b) Tax on Dividend	0.51	0.21
c) Transfer to General Reserve	2.97	2.50
Balance Carried to Balance Sheet	169.97	86.34
Earning per Share (in Rs.) (equity shares of face value of Rs. 10)	70.48	39.90

2. Result of Operation:

During the year, your Company has scaled new heights and achieved new benchmarks for creation of revenue and asset base. The total revenue for the year was Rs. 1,013.09 Crore against Rs. 628.24 Crores in the previous year.

Profit after tax for the year was Rs. 90.07 Crores as against Rs. 50.09 Crores for the previous year.

3. Order Book:

Your Company has an order book of more than Rs. 2,700 crore, which includes the following major works:

- Construction, rehabilitation and widening of Cuttack - Paradeep road, Orissa with a contract value of Rs. 208.27 Crores.
- Construction of Rail Infrastructure facility for transportation of coal from Naila Railway Station to proposed site of 2*500 MW of CSPGCL for Marwa TPP for Package-III with a Contract value of Rs. 41.54 Crores.
- Construction of BRTS Corridor and Development of road, Jaipur Development Authority, Rajasthan, having a contract value of Rs. 159.02 Crores.
- Civil Engineering work including P.way works in connection with construction of new BG Railway line from New Maynaguri (West Bengal) to Jogighopa (Assam), with a contract value of Rs. 53.68 Crores.
- Irrigation and canal work for construction of Bahragora distributry main canal, earthwork, lining in Jharkhand, with a contract value of Rs. 35.63 Crores.

- f) JSPL, Angul, Orissa Project-Work Order for execution of Rail Infrastructure Work with a contract Value of Rs. 261.00 Crores.
- g) Construction for widening and strengthening of existing carriageway to two lane for Chandbali-Bhadrak-Anadpur (Km 0/0 to Km 45/0 of SH-9 and Km 0/0 to Km 50/0 of SH-53), Orissa, having a contract value of Rs. 216.23 Crores.
- h) Widening and Strengthening of Existing Carriageway to 2 lane for Bhawanipatna to Khariar (2/0 Km to 70/0 Km SH-16), Orissa, with a contract value of Rs.105.51 Crores.
- i) Construction for widening and strengthening of existing carriageway to two lanes for Berhampur to Taptapani (Km 0/0 to Km 41/0 of SH-17) Orissa, with a contract value of Rs. 81.97 Crores.

4. Initial Public Offer:

The Company during the year for meeting its working capital requirements came out with an Initial Public Offer of 22,89,230 equity shares of Rs. 10/- each for cash with a premium of Rs. 440/- each aggregating Rs. 103.00 Crores.

The Company received clearance from the SEBI on 14th December, 2009 and from ROC on 28th January, 2010 for its IPO. The IPO opened on 8th February, 2010 and closed on 11th February, 2010. The IPO received an overwhelming response and was oversubscribed by more than 51 times. The shares got listed on 3rd March, 2010 at Rs. 640/- per share at BSE.

5. Auditors:

M/s. P. A. & Associates, Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received letter from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act., 1956 and that they are not disqualified for reappointment within the meaning of Section 226 of the said Act.

6. Report of Auditors:

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

- a) Provision of Rs. 30.51 lacs on account of retirement gratuity has been made on adhoc basis in the absence of actuarial valuation. The process is expected to be completed. The Company has also created a Trust for the employees to implement the gratuity scheme and an amount of Rs. 15.62 lacs has been deposited as part premium to SBI Life Insurance Co. Ltd. Moreover, there are few employees who have completed 5 years of continuous service with the Company thereby reducing the total retirement benefit liabilities and the provisions made in this regard are adequate.
- b) ARSS- HCIL- Adhikaria, an international JV, a partner of the Company, who prepare their accounts in a different basis for a different period than our Company. As their accounts are not yet finalised, the profit from the JV has been considered on provisional basis. This is beyond the control of the management and the Company does not expect any material deviations in the audited accounts.

7. Dividend:

Your Directors have declared a dividend (interim) of Rs. 2/- per equity share (last year Rs. 1/- per equity share) for the financial year ended March 31,2010, amounting to Rs. 347.31 Lacs (inclusive of dividend tax of Rs. 50.45 lacs) which was the highest ever payout by the Company.

The Board of Directors has considered the interim dividend declared as the final dividend for the financial year ended March 31,2010.



8. Directors:

Mr. S. R. Chaudhuri and Mr. S.C. Parija retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment.

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

9. Particulars of Employees:

As required under the provision of Section 217(2A) of the Companies Act, 1956, read with the Companies (particulars of employees) Rules, 1975 as amended, the names and other particulars of employees are given below:

Sl no.	Name of the person	Designation	Qualification	Age in years	Date of Joining	Experience (No. of years)	Gross Remuneration (Rs.)
1.	Subash Agarwal	Executive Chairman	B. Com	45	05/11/2007	19	1,20,00,000
2.	Rajesh Agarwal	Managing Director	B.E., Civil	37	01/10/2006	14	60,00,000
3.	Sunil Agarwal	President & CEO	B.Com	34	01/04/2005	11	41,47,000
4.	Anil Agarwal	Sr. VP & COO	B.Com	41	01/04/2006	15	41,47,000
5.	S. K. Singla	VP & Project Head	B. Tech, Civil	46	01/07/2006	16	50,35,000
6.	P. P. Biswas	Project Director	B.E., Civil	64	01/04/2008	38	25,20,600

10. Responsibility Statement:

Pursuant of Section 217 (2AA) of the Companies Act, 1956, the Board of Directors of the Company confirms that:

- in preparation of Annual Accounts, the applicable Accounting Standards issued by The Institute of Chartered Accountants of India have been followed by the Company and there has been no material departure.
- the Directors have selected such Accounting Policies and applied them consistently. The judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the Company's state of affairs as on 31st March, 2010 and of the profit of the Company for the year ended on that date.
- the Directors have taken Proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of Section-209 of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities and
- the Directors have prepared the Annual Accounts on a going concern basis.

11. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo etc. U/S 217 (1) (e):

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

The Company has neither earned any income nor incurred any expenditure in foreign currency during the year ended 31st March, 2010.

12. Public Deposits:

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

13. Corporate Governance:

The Company adopted best ethical business practices within the regulatory framework which is the essence of good corporate governance. Importantly, good corporate governance calls for accountability of the persons who are the helm of affairs of the Company and it also brings benefits to all stakeholders of the Company such as investors, customers, employees and the society at large. Your Company continues to believe in such business practices and has been extremely transparent in providing reliable financial information in all its business transactions and ensuring strict compliance of all applicable laws.

Your Company has adopted the requirement of corporate governance as prescribed under Clause 49 of the Listing Agreement and a separate section titled "Corporate Governance" has been included in the Annual Report along with "Management Discussion and Analysis Report".

14. Industrial Relation:

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

15. Acknowledgement:

Your Directors would like to express 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, staffs and workers of the Company.

For and on behalf of the Board of Directors

Place: Tirupati
Dated: 27th April, 2010

Subash Agarwal
Chairman



Auditors' certificate on compliance of conditions of corporate governance

To
The Members
ARSS Infrastructure Projects Limited,
Bhubaneswar

We have examined the compliance of conditions of Corporate Governance by ARSS INFRASTRUCTURE PROJECTS LIMITED, for the year ended on 31st March, 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

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

For P. A. & Associates
Chartered Accountants
(Firm Regn. No. 313085E)

Place: Tirupati
Date: 27th April, 2010

CA. H. Dash
Partner
Membership. No. 63523

Report on Corporate Governance

1. Company's philosophy on code of Corporate Governance:

Transparency, professionalism and accountability are the cornerstones of the value system of ARSS Infrastructure Projects Ltd. ("ARSS"). These elements guide the Company's management in all aspects of business conduct and in creating value for all its stakeholders including its shareholders, customers, employees and the society in which it operates. The management's commitment to these principles is reinforced through the adherence of all Corporate Governance practices embodied in the provisions of clause 49 of the listing Agreement with the Stock Exchange of India (Clause-49).

2.1. Board Composition and particulars of Directors:

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors. The Board consists of 8 Directors with effect from 27th November, 2007 out of which four are Independent Directors. Composition of the Board and category of Directors are as follows:

Category	Name of the Directors
Chairman	Sri Subash Agarwal
Independent Directors	Dr. Bidhubhusan Samal Sri Swarup Chandra Parija Sri Dipak Kumar Dey Sri Sujit Ranjan Chaudhuri
Executive Directors	Sri Rajesh Agarwal, Managing Director Sri Soumendra Keshari Pattanaik, Director (Finance) Sri Sudhendu Sekhar Chakraborty, Director (Technical)

All the Independent Directors of the Company furnish a declaration at the time of their appointment and also annually as well that they qualify the conditions of their independence as laid down under Clause 49.

No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 1956, except Sri Subash Agarwal and Sri Rajesh Agarwal, who are related to each other as brothers.

2.2 What constitutes independence of Directors

For a director to be considered Independent, the Board determines that the Director does not have any direct or indirect material or pecuniary relationship with the Company. The Board has adopted guidelines which are in line with the applicable legal requirements.

2.3 The Independent Directors in ARSS's Board:

- Apart from receiving sitting fees, do not have any pecuniary relationships of transactions with the Company, its promoters, its Directors, its senior management.
- Are not related to promoters or persons occupying management positions at the Board level or at one level below the Board.
- Have not been executives of the Company in the immediately preceding three financial years.
- Are not partners or executives, or were not partners or executives, during the preceding three year of the:
 - Statutory audit firm or internal audit firm that is associated with the Company.
 - Legal firm(s) and consulting firm(s) those have a material association with the Company.



- Are not material suppliers, service providers or customers or lessors or lessees of the Company which may affect independence of the Director.
- Are not substantial share holders of the Company i.e. do not own two percent or more of the block of voting shares.

2.4 Selection of Independent Directors:

Considering the requirement of the skill-sets on the Board, eminent persons having an independent standing in their respective field/profession and who can effectively contribute to the Company's business and policy decisions are considered by the Corporate Governance and Stakeholders' Interface Committee, which also acts as Nomination Committee, for appointment inter alia of independent directors on the Board. The number of directorships and memberships held in various committees of other companies by such persons is also considered. The Board considers the recommendations of the Committee and takes appropriate decision.

The detail composition of the Board, Directors attendance in the Board meetings, no. of directorships in other companies and membership in other committees etc. during the year are as follows:

Name & Designation	Director Identification Number (DIN)	Board Meetings		No of other Directorship	Membership in the committees of other companies	
		Held during the tenure	Attended		Member-ship	Chairman-ships
Mr. Subash Agarwal Chairman	00218066	6	6	5	Nil	Nil
Dr. Bidhubhusan Samal Independent Director	00007256	6	4	13	5	3
Mr. Swarup Chandra Parija Independent Director	00363608	6	4	1	Nil	Nil
Mr. Dipak Kumar Dey Independent Director	01092357	6	4	Nil	Nil	Nil
Mr. Sujit Ranjan Chaudhuri Independent Director	01930133	6	5	Nil	Nil	Nil
Mr. Rajesh Agarwal Managing Director	00217823	6	6	3	Nil	Nil
Mr. Soumendra Keshari Pattanaik Director (Finance)	00009924	6	6	Nil	Nil	Nil
Mr. Sudhendu Sekhar Chakraborty Director (Technical)	00549731	6	5	Nil	Nil	Nil

2.5 No. of Board Meetings

During the year 2009-10, the Board of Directors met six times. The dates of Board meetings were 8th May, 2009, 20th July, 2009, 14th September, 2009, 7th November, 2009, 9th January, 2010 and 24th March, 2010. The maximum gap between any two meetings was less than four months.

3. Board Committees:

Details of the standing committees of the Board and other related information are provided hereunder:

3.1 Audit Committee:

a) Composition:

During the Financial Year the Audit Committee of the Board comprised following three Independent Directors and their attendance of thereof is given below :

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

All the members of the Audit Committee, possess financial/accounting expertise/exposure. The composition of audit committee meets with the requirements of section 292A of the Companies Act., 1956 and clause 49 of the Listing Agreement.

Sri B. B. Sahoo is the Secretary to the Audit Committee.

b) Objective:

The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting process of the Company, the audits of the Company's financial statements, the appointment, independence and performance of the statutory auditors and internal auditors and to evaluate the Company's risk management policies.

c) Terms of Reference:

The terms of reference/powers of the Audit committee are as under:

d) Power of the Audit Committee:

- i) To investigate any activity within its terms of reference.
- ii) To seek information from any employee.
- iii) To obtain outside legal or other professional advice.
- iv) To secure attendance of outsiders with relevant expertise, if it considers necessary.

e) The role of the Audit Committee includes:

- i) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are true and fair with adequate credibility.
- ii) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of Statutory auditors and fixation of audit fees.
- iii) Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- iv) Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement to be included in the Directors' Report in terms of sub-section (2AA) of Section 217 of the Companies Act, 1956.



- Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by the management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of related party transactions.
 - Qualifications in draft audit report.
- v) Reviewing with the managements, the quarterly financial statements before submission to the Board for approval.
- vi) Reviewing with the management, the performance of statutory and Internal Auditors, adequacy of internal control systems.
- vii) Discussion with Internal Auditors on any significant findings and follow up thereon.
- viii) Reviewing the findings of any internal investigations by the Internal Auditors, where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the same to the Board.
- ix) Discussion with Statutory Auditors before the commencement of the audit, about the nature and scope of audit as well as post audit discussion to address any area of concern.
- x) To look into the reasons for substantial defaults, if any, in the payment to the shareholders (in case of non-payment of declared dividends) and creditors.
- xi) Carrying out such other function as may be specifically referred to the Committee by the Board of directors and/or other committees of Directors of the Company.
- xii) To review the following information:
- The management discussion and analysis of financial condition and results of operations;
 - Statement of significant related party transactions (as defined by the Audit committee), submitted by management;
 - Management letters/letters of internal control weaknesses issued by the Statutory Auditors;
 - Internal audit reports relating to internal control weaknesses; and
 - The appointment, removal and terms of remuneration of Internal Auditors.
- xiii) Review of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.).

f) Meetings:

Four meetings of the Audit Committee were held during the year ended 31st March, 2010, which complies with minimum requirement of four meetings during the year as per companies Act.

Executive of Accounts, Finance and Secretarial Department and Representatives of the Statutory and Internal Auditors attended the audit committee Meetings.

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

3.2 Remuneration Committee Meeting:

a) Composition:

The Remuneration Committee of the Board comprises three Independent Directors, namely:

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

b) Terms of Reference:

The Remuneration Committee has been constituted to recommend/review remuneration of the chairman, Managing director and whole time Directors, based on their performance and defined assessment criteria.

c) Meetings:

No meeting of the Remuneration committee was held during the year ended March 31, 2010.

d) Remuneration policy, details of remuneration and other terms of appointment of directors:

The remuneration policy of the Company being in line with the existing industry practices is directed towards rewarding performance, based on review of achievements on a periodic basis.

Remuneration paid to the Chairman & Director and the Whole-time Directors.

(Rs. in lacs)

Name of the Director	Position	Salary	Total
Sri Subash Agarwal	Chairman	120.00	120.00
Sri Rajesh Agarwal	Managing Director	60.00	60.00
Sri S. K Pattanaik	Director (F)	12.00	12.00
Sri S. S. Chakraborty	Director (T)	15.00	15.00

The tenure of office of the Managing director and whole time Directors is for a period of 5 years from their respective dates of appointments and can be terminated by either party by giving three months' notice in writing. There is no separate provision for payment of severance fees.

The Non-Executive Directors are paid sitting fee at the rate of Rs. 20,000/- for attending each meeting of the Board and Rs. 7,000/- for attending each committee meeting.

e) Sitting fee paid to the Non-Executive Directors, for 2009-10 are as detailed below:

(Rs. in lacs)

Name of the Director	Amount
Dr. Bidhubhusan Samal	1.08
Swarup Chandra Parija	1.08
Dipak Kumar Dey	0.80
Sujit Ranjan Chaudhuri	1.28

3.3 Shareholders'/Investors' Grievance Committee:

a) Composition:

The Shareholders'/Investors' Grievance Committee (the Committee) of the Board, comprised three Directors, namely,

Name of the Director	No. of Meetings	
	Held	Attended
Dr. Bidhubhusan Samal	—	—
Mr. Sujit Ranjan Chaudhuri	—	—
Mr. Dipak Kumar Dey	—	—

b) Terms of Reference:

The Committee, inter alia, approves issue of duplicate certificate and oversees and reviews all matters connected with transfer of securities of the Company. The Committee also looks into redressal of shareholders'/ investors' complaints related to transfer of shares, non-receipt of Balance sheet, non-receipt of declared dividend, etc. The Committee oversees performance of the Registrar and Transfer Agents of the Company, and recommends measures for overall improvement in the quality of investors services. The Committee also monitors implementation and compliance of the Company's Code of conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 1992, The Board has delegated the power of approving transfer of securities to the managing director and/or the Company Secretary.



c) Meeting:

No meeting of the Shareholders'/Investors' Grievance Committee (SIGC) were held during the year ended March, 31, 2010.

d) Compliance Officer:

Shri B. B. Sahoo, Company Secretary, is the Compliance Officer for complying with the requirements of SEBI Regulations and the Listing Agreements with the Stock Exchanges in India.

4. Code of Business Conduct and Ethics for Directors and Management Personnel:

The code of Business Conduct and Ethics for Directors and management personnel ('the Code'), as recommended by the Corporate Governance and Stakeholders' Interface Committee and adopted by the Board, is a comprehensive Code applicable to all Directors and management personnel. The Code while laying down, in details, the standards of business conduct, ethics and governance, center's around the following theme:

"The Company's Board of Directors and Management Personnel are responsible for and are committed to setting the standards of conduct contained in this Code and for updating these standards, as appropriate, to ensure their continuing relevance, effectiveness and responsiveness to the needs of local and international investors and towards all other stakeholders as also to reflect corporate, legal and regulatory developments. This Code should be adhered to in letter and in spirit."

A copy of the Code has been put on the Company's website www.arssgroup.in.

The Code has been circulated to all the members of the Board and management personnel and the compliance of the same is affirmed by them annually.

A declaration signed by the Chairman of the Company is given below:

I hereby confirm that the Company has obtained from all the members of the Board and management personnel, affirmation that they have complied with the Code of Business Conduct and Ethics for Directors and management personnel in respect of the financial year 2009-10.

-sd/-

Subash Agarwal

Chairman

5. Annual General Meetings:

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

Year	Location	Date	Time
2007	Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar – 751 010.	27-09-2007	11.30 A.M.
2008	Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar – 751 010.	16-06-2008	11.30 A.M.
2009	Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar – 751 010.	20-07-2009	11.30 A.M.

6. 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 '20', 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 statutory authority.

7. Means of Communication:

Official news releases, detailed presentations made to the media, analysts, institutional investors, etc. are displayed on the Company's website www.arssgroup.in.

Annual Report containing, inter-alia, Audited Accounts, Consolidated Financial Statements, Directors' report, Auditors' report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis (MD&A) Report forms part of the Annual Report and is displayed on the Company's website www.arssgroup.in.

The Company has designated a separate email-id exclusively for investor servicing i.e. response@arssgroup.in.

8. General Information for Shareholders:

1. Date , Time and Venue of the Annual General Meeting of the Company	Monday, 26th July, 2010 at 11.30 A.M. at Registered Office of the Company at Plot No. 38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar – 751 010, Orissa
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9. Financial Calendar 2010-2011:

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

Unaudited Financial results for the first quarter ending 30th June, 2010	Last week of July, 2010
Unaudited Financial results for the second quarter ending 30th September, 2010	Last week of October, 2010
Unaudited Financial results for the third quarter ending 31st December, 2010	Last week of January, 2011
Unaudited/ audited Financial results for the year ending 31st March, 2011	Last week of April, 2011

10. Dividend:

Board of Directors at its meeting held on March 24, 2010 declared an interim dividend of Rs. 2/- per Equity share and that interim dividend remained as final dividend for the financial year ended 31st March, 2010.

11. Listing:

The Company came out with an IPO for Rs. 103.00 Crores consisting of 22,89,230 equity shares of Rs. 10/- each in cash at a premium of Rs. 440/-. The issue opened on 8th February, 2010 and closed on 11th February, 2010. It was oversubscribed in all segments aggregating to 51 times. The shares of the Company got listed on 3rd March, 2010 at Rs. 640 per share. At Present, the Equity shares of the Company are listed on the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE).

The Annual Listing fees for the year 2010-11 have been deposited with NSE & BSE

The Company has deposited the custodial fees for the year 2010-11 with National Securities Depository Limited and Central Depository Services (India) Limited on the basis of number of beneficial account maintained by them as on March 31, 2010.

12. Stock Code:

ISIN (Equity Shares)	INE267I01010 (NSDL & CDSL)
BSE Code	533163
NSE Code	ARSSINFRA - EQ

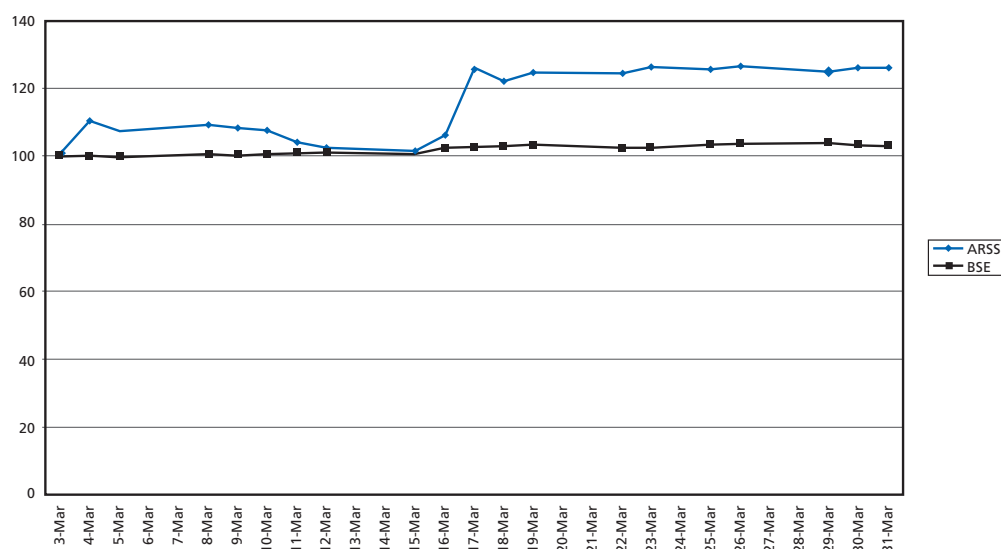
13. Stock Market data

High, lows and volumes of Share of the Company at BSE and NSE

Day	BSE			NSE		
	High (Rs.)	Low (Rs.)	Volume (No of Shares)	High Price (Rs.)	Low Price (Rs.)	Volume (No. of Shares)
3-Mar-10	754.70	640.00	1,15,14,084	751.80	630.00	1,57,59,450
4-Mar-10	828.00	718.15	85,38,896	827.00	717.75	1,15,74,351
5-Mar-10	838.65	768.70	70,55,001	838.40	768.60	90,08,105
8-Mar-10	815.00	779.20	29,57,969	815.00	778.35	41,23,565
9-Mar-10	814.90	788.00	15,22,050	815.00	794.00	19,36,304
10-Mar-10	803.50	775.00	5,41,170	804.00	782.00	8,49,330
11-Mar-10	796.00	760.30	5,06,355	796.40	761.30	6,38,371
12-Mar-10	776.00	746.50	10,12,009	775.40	742.40	12,92,574
15-Mar-10	761.45	741.25	4,78,069	763.00	741.30	7,67,051
16-Mar-10	790.90	748.05	14,44,856	792.00	747.00	16,22,792
17-Mar-10	939.50	784.00	51,01,198	939.85	781.00	63,12,737
18-Mar-10	998.00	876.00	73,72,101	998.80	878.00	92,60,329
19-Mar-10	932.00	892.40	20,69,678	933.50	890.00	27,89,208
22-Mar-10	983.80	896.55	39,42,595	982.70	893.70	51,56,670
23-Mar-10	951.80	920.00	22,00,937	949.75	912.00	28,95,788
25-Mar-10	940.00	912.00	11,25,809	940.80	911.40	12,85,930
26-Mar-10	968.00	924.10	19,49,316	967.90	920.00	25,87,908
29-Mar-10	949.00	912.30	639,229	947.70	916.15	8,35,081
30-Mar-10	965.00	918.35	948,692	965.00	918.00	15,94,345
31-Mar-10	952.00	925.60	582,566	953.00	926.05	7,91,000

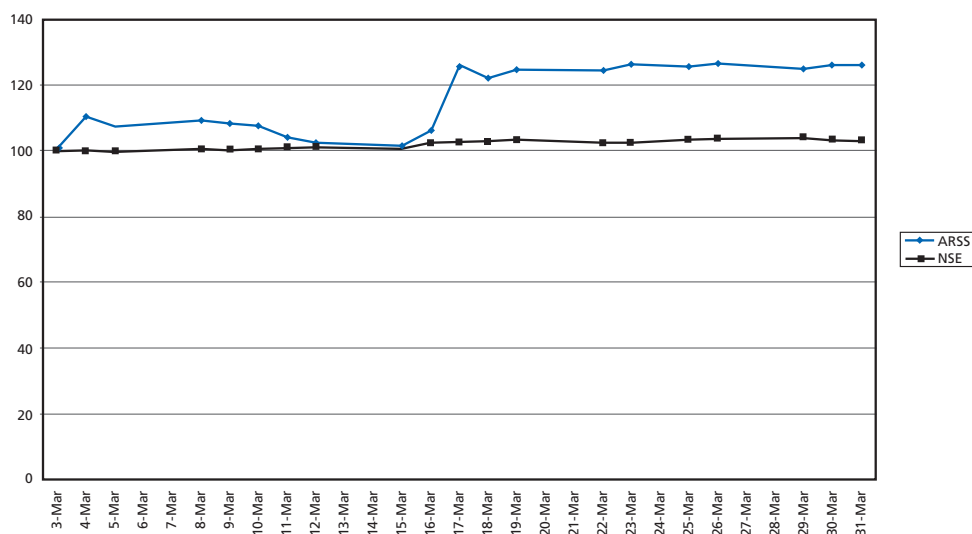
Chart A and Chart B compare the share price of the Company with the BSE Sensex and the NSE, respectively.

Chart A: ARSS versus BSE Sensex



Note: ARSS Share price at BSE and BSE Sensex indexed to 100 as on the first listing day of ARSS on 3rd March, 2010.

Chart B: ARSS versus NSE Nifty.



Note: ARSS Share price at NSE and NSE Sensex indexed to 100 as on the first listing day of ARSS on 3rd March, 2010.

14. Dematerialisation of Shares:

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

As at 31st March, 2010, 1,45,54,680 Equity Shares representing 98.06% of total Equity Capital of the Company were held in dematerialized form.

The bifurcation of shares held in Physical and Demat form as on March 31, 2010 is given Below.

Particulars	No. of Shares	% age
Physical Segment	2,88,550	1.94
Demat Segment		
NSDL	1,29,35,022	87.14
CDSL	16,19,658	10.91
Total	1,48,43,230	100.00

15. Registrar and Share Transfer Agents

Bigshare Services Private Limited

E/2, Ansa Industrial Estate, Sakivihar Road, Sakinaka

Andheri (E), Mumbai- 400 072.

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

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



16. Shareholding Pattern as on 31st March, 2010

Sr. No.	Category	No. of Shares	Percentage of Shareholding (%)
1.	Resident Indian	30,40,135	20.48
2.	Financial Institutions	6,021	0.04
3.	Mutual Funds	2,63,900	1.78
4.	Promoters	81,98,975	55.24
5.	Body Corporate	19,18,207	12.92
6.	Nationalized Banks	10,01,902	6.75
7.	NRIs	26,303	0.17
8.	FII's	2,03,305	1.37
9.	Trusts	451	0.01
10.	Others	1,84,031	1.24
	Total	1,48,43,230	100.00

17. Distribution Scheduled of shareholding as on 31st March, 2010

Range	Number of Shareholders	% to Total	Total Shares	% to Total
Up to 500	7661	94.80	2,78,744	1.88
501-1,000	157	1.94	1,15,928	0.78
1,001- 2,000	81	1.00	1,18,603	0.80
2,001-3,000	40	0.49	99,319	0.67
3,001-4,000	13	0.16	45,654	0.31
4,001-5,000	15	0.19	68,756	0.46
5,001-10,000	31	0.38	2,35,525	1.59
10,001 and above	83	1.03	1,38,80,701	93.52
Total	8081	100.00	1,48,43,230	100.00

18. 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: bbs@arssgroup.in

For and on behalf of the Board of Directors

Place: Tirupati
 Date: 27th April, 2010

Subash Agarwal
 Chairman



To

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

Dear Sirs,

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

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

Place: Tirupati
Dated: 27th April, 2010

Rajesh Agarwal
Managing Director



To

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

Dear Sirs,

1. We have reviewed the Balance Sheet, Profit and Loss account and all its Schedules and Notes on Accounts, as well as the Cash Flow Statements as at 31st March, 2010 and certify that to the best of our knowledge and belief:
 - i) These Statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading.
 - ii) These Statements read together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
2. We further certify that, to the best of our knowledge and belief, no transactions have been entered into by the Company during the year which are fraudulent, illegal or in violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the Audit committee, the deficiencies in the design or operation of internal controls, in any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit committee:
 - i) Significant changes in internal control during the year;
 - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems.

Place: Tirupati
Date: 27th April, 2010

S. K. Pattanaik **Rajesh Agarwal**
Director Finance *Managing Director*



Secretarial Audit Report

To

The Board of Directors,
ARSS Infrastructure Projects Limited
Plot No. 38, Sector - A, Zone - D
Mancheswar Industrial Estate,
Bhubaeswar – 751 010.

We have examined all secretarial records and the compliance of provisions of the Companies Act, 1956, the regulations, guidelines and the instructions issued by the Securities and Exchange Board of India (SEBI) and the relevant clauses of the Listing Agreement with Stock Exchanges where the shares of ARSS Infrastructure Projects Limited (the Company) are listed, the Depositories Act, 1996 and bye-laws framed there under from time to time, for the year ended 31st March, 2010 and we report that:

1. Maintenance of Statutory Records:

The Company is maintaining all statutory records and registers as required to be maintained under various provisions of the Companies Act, 1956 and the rules made there under and all the records and entries in the registers are up to date.

2. Filing of Statutory Returns:

The Company has filed all statutory returns with the Registrar of Companies as well as with other Statutory Authorities and has furnished the required documents/intimations to the Stock Exchanges regularly and within the scheduled time frame as required under various clauses of the Listing Agreements.

3. Composition of the Board:

The Board of Directors of the Company comprised of eight directors, consisting of the Chairman (Executive Chairman) & Managing Director, two executive directors and four non-executive independent directors as on 31st March, 2010. In terms of Clause 49 of Listing Agreement, at least half of the Board should comprise of independent directors which is complied by the Company.

4. Board Meetings:

During the year, the Board of Directors of the Company met six times on 8th May, 2009, 20th July, 2009, 14th September, 2009, 7th November, 2009, 9th January, 2010 and 24th March, 2010 in respect of which proper notices were given. The proceedings of the meetings including the circular resolutions passed were properly recorded in the Minutes Book maintained by the Company and duly signed.

5. General Body Meetings:

During the Year under review the Annual General Meeting of the Company was held on 20th July 2009 and Three Extra Ordinary General Meetings were held on 14th August, 2009, 28th October, 2009 and 6th February, 2010 in respect of which proper notices were given. The proceedings of the meetings including the circular resolutions passed were properly recorded in the Minutes Book maintained by the Company and duly signed. The Register of Members were closed from 15th July, 2009 to 20th July, 2009 both days being inclusive.

6. Registrar & Share Transfer Agent:

M/s. Bigshare Services Private Limited, Mumbai has been entrusted with the responsibility of Registrar and Share Transfer Agent of the Company and all the work relating to Share Registry in terms of both physical and electronic segments are being handled there at a single point.



7. Redressal of Investors Grievances:

All the complaints/grievances relating to share transfers, transmissions, demat/remat of shares, issue of duplicate share certificates, payment of dividend etc were promptly attended by the Company and there are no grievances pending as on date. Details of shares transfers, electronic holding of shares (both NSDL and CDSL) etc. were managed by the RTA under supervision of the Company Secretary & Compliance Officer of the Company.

8. Daily Reconciliation of Listed and Paid-up Capital:

The Company has set up adequate systems and procedures in terms of SEBI guidelines to ensure daily reconciliation of shares held in Physical and electronic segments with the total shares issued by the Company.

9. Dematerialisation/Rematerialisation:

The dematerialization/rematerialisation requests were confirmed to the respective Depositories (NSDL/CDSL) within one week of receipt of physical documents from the DPs as per the SEBI guidelines.

10. Payment of Corporate Cash Benefits to the Investors:

The Company has paid dividend within the due date after its declaration and wherever necessary has kept in abeyance rights to dividend, pending registration of transfer of shares or pending final settlement of suits in compliance with the provisions of the Companies Act, 1956.

11. Transfer to Investor Education and Protection Fund:

There is no amount outstanding for any financial year to the Investor Education and Protection Fund as on 13th December, 2010 in terms of Section 205A of the Companies Act, 1956 and the Investor Education and Protection Fund (Awareness and Protection of Investor) Rules, 2001.

12. Insider Trading Regulations:

The Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 with regard to disclosures and maintenance of records required under the regulations.

13. No Legal Notice:

The Company has not received any show cause notice for any alleged offence/violation under the Companies Act, 1956 or under SEBI guidelines and no fine, penalty or other punishment has been imposed on the Company in this regard during the year under review.

14. Public Deposits:

No public Deposits were accepted by the Company under Companies (Acceptance of Deposits) Rules, 1975 during the year. The Company has neither issued any GDR/ADR nor any convertible instrument during the year under report.

15. Borrowings of the Company:

The borrowings made by the Company were within the limit prescribed under Section 293(1)(d) of the Company's Act, 1956 and registration of creation/modification of charges were duly registered.

Place: Bhubaneswar
Date: 24th April, 2010

Gopinath Nayak
Practicing Company Secretary
C.P. No. 6558



I further report that:

- a) The Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, share/debenture holdings and directorship in other companies and interest in other entities;
- b) The Directors have complied with disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the code of Business Conduct and Ethics for Directors and Management Personnel;
- c) The Company has obtained all necessary approvals under the Companies Act, 1956;
- d) There was no prosecution initiated against or show cause notice received by the Company and no fines or penalties were imposed on the Company during the year under review under the Companies Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against the Company, its Directors and Officers.

I further report that the Company has complied with the provisions of the Depository Act, 1996 and the Bye-laws framed under that Act by the Depositories with regard to dematerialisation/rematerialisation of securities and reconciliation of records of dematerialised securities issued by the Company.

I further report that:

- a) The Company has complied with the requirements under the Equity Listing Agreements entered in to with the Bombay Stock Exchange Limited and National Stock Exchange of India Limited.
- b) The Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulations, 1997 including the provisions with regards to disclosures and maintenance of records required under the Regulations.
- c) The Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records under the Regulations.

Place: Bhubaneswar
Date: 24th April, 2010

Gopinath Nayak
Practicing Company Secretary
C.P. No. 6558



Report on Management Discussion and Analysis

1. Industry Scenario and Economic Recovery:

The Indian Economy started looking up from the beginning of the second half of 2009. Accordingly, the economic growth rate too moved up and clearly came out from the clutches of economic slow down. Sound performance by industry and particularly, the infrastructure sector became buoyant indicating strong future growth ahead.

The investment scenario in the country also started shaping up and investors again looked forward to invest their savings in capital market and almost all public issues in last year got fully subscribed. The only hurdle in this process was high inflation threatening the industry due to a rate hike by RBI. Despite inflation, the RBI only marginally increased CRR and Repo rates to absorb the excess liquidity from the market order and sustain the prevailing growth. So far as your Company is concerned, there is absolutely no problem in sourcing funds for development and growth.

2. Business Performance:

During the year 2009-10, the Company has grown in tandem with the economic growth. The order book position of the Company is quite healthy and contracts worth Rs. 2,700 Crores are in hand for execution. During the last year, the total revenue was Rs. 1013.09 Crores showing a healthy growth against previous year.

The abridged profit and Loss statement for the financial year ended 31st March, 2010 is as follows.

(Rs. in Crores)

Particulars	2009-2010	2008-2009	%change
Net Sales & other income	1013.09	628.24	61.26
Profit before interest, Depreciation and Tax	187.70	104.96	78.83
Depreciation	13.54	7.35	84.22
Provision for Tax	25.33	19.48	30.03
Profit after Tax	90.07	50.09	79.82
Earning per share (in Rs.)	70.48	39.90	76.64

3. Opportunities and threats risks and concerns:

The economic slowdown of the industry prevailed during the first half of the last financial year affected all industries including infrastructure to some extent. In spite of that your Company remained immune to the slowdown and has achieved excellent growth during the year. The growth of the Company during the year leapt faster than the general economic development despite the difficulty in arranging working capital for execution of different projects. Other problems faced by the sector was a runaway hike in input prices in the 2nd half of the year in tandem with rising inflation and high employee cost for the infrastructure projects, especially for the government backed projects, which led to cost over run and delay in execution.

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 works 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.

4. Strategic Initiative:

The Company is well on its way to meet its growth target despite stiff competition in this sector. It has succeeded due to the effective business strategy pursued by the Company effecting timely execution of all projects, strategic tie ups with joint venture partners for large projects and thereby economising on the critical resources.

The foray into high potential business of railways, roads and bridges has been successful during the year which has yielded new orders. The Company is strengthening its human power for execution of high value projects and adding assets for the development of infrastructures to complete all contracts in time.

5. Outlook:

There is a golden period waiting for infrastructure industries as economic growth of any country depends on the infrastructural development. According to estimates by CRISIL (rating agency), eight sectors like oil and gas, power, roads, ports, airports, railways, urban infrastructure and telecom together are expected to attract huge investment in the coming years.

6. Internal control system and efficiency:

ARSS has a comprehensive system of internal controls to safeguard the Company's assets against loss from unauthorised use and ensure proper authorisation of financial transactions. The Company has an exhaustive budgetary control system to monitor all expenditures against approved budgets on an ongoing basis.

The Company maintains a system of internal controls designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, the reliability of financial controls and compliance with applicable laws and regulations as applicable in the various jurisdictions in which Company operates.

The organisation is well-structured and the policy guidelines are well-documented with appropriate delegation of authority. The Company has also implemented suitable controls to ensure the optimum utilisation of resources, accuracy in reporting of financial transactions and timely compliance with the applicable laws, regulations and statutes.

ARSS has established a well laid out policy to maintain highest standards of Health, Safety and Environmental norms while maintaining operational integrity. This policy is strictly adhered to at all operational sites of the Company.

The Company has an internal audit function, which is empowered to examine the adequacy and compliance of policies, plans and statutory requirements. It is also responsible for assessing and improving the effectiveness of risk management, control and governance process. The management of the Company duly considers and takes appropriate action on the recommendations made by the statutory auditors, internal auditors and the independent Audit Committee of the Board of Directors.

7. Management Development in HR:

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

8. Cautionary Statement:

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

For and on behalf of the Board of Directors

Place: Tirupati
Dated: 27th April, 2010

Subash Agarwal
Chairman

Auditor's Report

To the Members

ARSS Infrastructure Projects Limited

1. We have audited the attached Balance Sheet of ARSS Infrastructure Projects Limited, as at 31st March, 2010, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditors' Report) (Amendment) Order, 2004 (hereinafter referred to as the order) issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act 1956, we enclose in the Annexure, a statement on the matters specified in Paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure I referred to in Paragraph 3 above, we report that:
 - 4.1 We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - 4.2
 - a) Provision of Rs. 30.51 lacs on account of retirement gratuity has been made on an adhoc basis, without ascertaining the liability through actuarial valuation which is not in accordance with Accounting Standard-15, "Employee Benefits" issued by The Institute of Chartered Accountants of India.
 - b) Profit from HCIL-Adhikaria-ARSSPL JV has been considered on the basis of Provisional Accounts as on 31st March, 2010 and also for earlier years instead of audited accounts, which is not in accordance with Accounting Standard-27, "Financial Reporting of Interest in Joint Ventures" issued by The Institute of Chartered Accountants of India.
 - 4.3 In our opinion, the Company has kept proper books of accounts as required by law so far as appears from our examination of those books.
 - 4.4 The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report, are in agreement with the books of account.
 - 4.5 In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement have been drawn up in accordance with Accounting Standards (AS) referred to in sub- Section (3C) of Section 211 of the Companies Act, 1956 except as stated in Para-4.2 above.
 - 4.6 According to the information and explanations given to us and on the basis of written representations received from the Company, we report that none of the Directors are disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g), Sub-section (i) of Section 274 of the Companies Act, 1956.
 - 4.7 In our opinion and to the best of our information and according to the explanations given to us, the said accounts, subject to the observations in Para 4.2 above regarding ascertainment of gratuity liability and consideration of provisional profit and investment in one of the Joint Venture, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. In the case of Balance Sheet of the state of affairs of Company as at 31st March, 2010;
 - ii. In the case of Profit and Loss Account of the Profit of the Company for the year ended on that date; and
 - iii. In the case of Cash Flow Statement of the Cash Flows for the year ended on that date.

For **P. A. & Associates**
Chartered Accountants
Firm Regn. No. 313085E

(**CA. P. S. Panda**)
Partner
Membership No. 51092

Tirupati
27th April, 2010

Annexure to Auditor's Report

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

1. In respect of its Fixed Assets:
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
 - b) According to the information and explanations given to us, the fixed assets were physically verified by the management in accordance with the programme of verification, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed on physical verification were not material and have been properly dealt with in the books of account.
 - c) In our opinion the Company has not disposed off a substantial part of its fixed assets during the year and hence the status of the Company as a going concern is not affected.
2. In respect of its Inventories:
 - a) As explained to us, inventories have been physically verified by the management at the end of the year. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and nature of its business.
 - b) The procedure of physical verification of inventories followed by the management in our opinion are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) On the basis of our examination, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
3.
 - a) According to the information and explanations given to us, the Company has granted loan to one party covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year is Rs. 10.00 lacs and the balance at the end of the year was Rs. 9.70 lacs.
 - b) The rate of interest and other terms and conditions of the loan taken by the party, were not prima facie prejudicial to the interest of the Company.
 - c) The party is regular in repayment of principal and interest.
 - d) The Company had taken loans from one party covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year is Rs. 90.00 lacs and the balance at the end of the year is NIL.
 - e) The rate of interest and other terms and conditions of the loan taken by the Company, were not prima facie prejudicial to the interest of the Company.
 - f) The Company has repaid the loan during the year as stipulated in the terms and conditions of the loan.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and also with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. According to the information and explanation given to us, we are of the opinion that the particulars of the contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
6. In our opinion and according to the information and explanations given to us, each such transaction have been made at prices which are reasonable having regard to the prevailing market price at the relevant time.
7. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from public within the meaning of Section 58A and 58AA or any other provisions of the Act and rules framed there under.
8. In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size of Company and the nature of its business.
9. To the best of our knowledge the Central Government has not prescribed the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 for any of the products of the Company.
10. According to the information and explanations given to us the Company is generally regular in deposit of undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, VAT and Service Tax.
11. According to the information and explanation given to us, in our opinion, no undisputed amount payable in respect of the aforesaid dues were outstanding as at 31st March, 2010 for a period of more than six months from the date they became payable.



12. According to the information and explanation given to us and on basis of the records of the Company examined by us, the particulars of sales tax, income tax and entry tax as at 31st March, 2010 which have not been deposited on account of pending disputes are as under:

Forum where disputes are pending	Period to which the dispute relates	(Rs. in lacs) Amount of demand
1. Orissa Sales Tax Act		
– Appellate Tribunal	2000-01 & 2004-05	52.11
– Commissioner of Commercial Taxes	2000-01 to 2002-03	31.86
2. Orissa VAT Act		
– Commissioner of Commercial Taxes	2004-05 to 2006-07	14.51
– Joint Commissioner of Commercial Taxes	2004-05 to 2006-07	7.79
3. Orissa Entry Tax Act		
– Joint Commissioner of Commercial Taxes	2004-05 to 2006-07	24.59
– Commissioner of Commercial Taxes	2004-05 to 2006-07	9.83
4. Central Sales Tax Act		
– Commissioner of Commercial Taxes	2008-09	500.15
5. Rajasthan VAT Act		
– Asst. Commissioner of Commercial Taxes, Jaipur	2007-08 to 2009-10	219.98
6. Andhra Pradesh Commercial Taxes Act		
– Appellate Dy. Commissioner (Commercial Taxes), Vishakhapatnam	2008-09	2.08
7. Income Tax Act, 1961		
– CIT (Appeal)/ITAT	A.Y. 2006-07	41.97
– CIT (Appeal), Bhubaneswar	A.Y. 2007-08	7.17
– CIT (Appeal), Bhubaneswar/ITAT	A.Y. 2007-08	101.93

13. The Company has no accumulated losses as at 31st March, 2010 and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
14. In our opinion and based on the information and explanations given to us the Company has not defaulted in repayment of dues to financial institutions or banks.
15. According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
16. In our opinion, the Company is not a chit fund or nidhi/mutual benefit fund/society.
17. As explained to us and on the basis of information given to us, the Company is not dealing in shares, securities, debentures and other investments.
18. In our opinion and according to the information and explanations given to us, the terms and conditions of guarantees given by the Company for loans taken by others from banks are not prima facie prejudicial to the interest of the Company.
19. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were obtained.
20. According to the information and explanations given to us and on an overall examination of the books of accounts of the Company, we are of the opinion that no funds raised on short-term basis have been utilised for long-term purposes.
21. According to the information and explanations given to us, during the year, the Company has not made any preferential allotments of shares to parties covered in the register maintained under Section 301 of the Act.
22. During the period covered by our audit report, the Company has not issued any debentures.
23. We have verified the end use of money raised by initial public offer (IPO) from the draft prospectus filed with SEBI, the offer document and as disclosed in the notes to the financial statements and comment that issue proceeds are utilised as per the estimates in the prospectus and are within the limits set out in the prospectus except for issue expenses which has been over spent by Rs. 30.72 lacs.
24. To the best of our knowledge and belief and according to the information and explanation given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For **P. A. & Associates**
Chartered Accountants
Firm Regn. No.: 313085E

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

Tirupati
27th April, 2010



Balance Sheet

as at 31st March, 2010

	Schedule	As at 31st March, 2010	(Rupees) As at 31st March, 2009
I. SOURCES OF FUNDS			
1. Shareholders' Funds			
a) Share Capital	1	148,432,300	125,540,000
b) Reserves and Surplus	2	3,231,235,827	1,357,973,976
2. Loan Funds			
a) Secured Loans	3	4,457,664,482	2,182,193,801
b) Unsecured Loans	4	12,226,366	41,061,473
3. Deferred Tax Liability	5	120,410,804	63,626,322
Total		<u>7,969,969,779</u>	<u>3,770,395,572</u>
II. APPLICATION OF FUNDS			
1. Fixed Assets			
a) Gross Block	6	2,879,051,805	1,626,196,379
b) Less: Depreciation		<u>295,311,304</u>	<u>159,993,168</u>
c) Net Block		2,583,740,502	1,466,203,211
2. Investments	7	34,440,872	38,212,921
3. Current Assets, Loans and advances			
a) Inventories	8	3,701,088,128	1,882,704,940
b) Sundry Debtors	9	786,122,901	428,533,465
c) Cash & Bank Balances	10	1,095,090,536	717,214,943
d) Loans & Advances	11	1,406,480,936	557,410,278
		<u>6,988,782,501</u>	<u>3,585,863,626</u>
4. Current Liabilities and Provisions			
a) Current Liabilities	12	1,447,454,152	1,147,928,616
b) Provisions	13	258,380,043	172,295,570
		<u>1,705,834,194</u>	<u>1,320,224,186</u>
5. Net Current Assets (3 - 4)		5,282,948,306	2,265,639,440
6. Miscellaneous Expenditure (To the extent not written off or adjusted)	14	68,840,098	340,000
		<u>7,969,969,779</u>	<u>3,770,395,572</u>
7. Significant Accounting policies and Notes to accounts	20		

The schedules referred to above form an integral part of the balance sheet.
As per our separate report of even date.

For **P. A. & Associates**
Chartered Accountants
Firm Regn. No.: 313085E

CA P. S. Panda
Partner
Membership No.: 51092

Tirupati
27th April, 2010

For and on behalf of the Board

S. K. Pattanaik
Director Finance

Rajesh Agarwal
Managing Director

B. B. Sahoo
Company Secretary

Profit and Loss Account

for the year ended 31st March, 2010

	Schedule	As at 31st March, 2010	As at 31st March, 2009
(Rupees)			
1. INCOME			
a) Contract Revenue		10,065,504,283	6,243,752,255
b) Other Income		65,350,851	38,660,829
		10,130,855,134	6,282,413,084
2. EXPENDITURE			
a) Direct Contract expenses	15	7,625,408,085	4,892,335,677
b) Personnel Expenses	16	262,364,862	140,461,371
c) Administrative Expenses	17	172,315,888	97,277,799
d) Selling Expenses	18	193,751,628	102,739,612
e) Interest & Financial Charges	19	530,739,775	270,174,025
f) Depreciation		135,423,261	73,487,946
		8,920,003,499	5,576,476,430
3. PROFIT BEFORE TAX		1,210,851,636	705,936,654
4. LESS: TAX EXPENSES			
a) Income Tax			
– Current Year		253,334,829	154,925,326
– Earlier Year		—	10,286,739
b) Deferred Tax		56,784,482	37,176,825
c) Fringe Benefit Tax		—	2,682,692
5. PROFIT AFTER TAX		900,732,325	500,865,072
6. Balance brought forward from Previous year		863,418,722	402,284,456
7. Amount available for Appropriation		1,764,151,047	903,149,528
8. Appropriations			
a) Dividend		29,686,460	12,554,000
b) Tax on Dividend		5,045,214	2,133,552
c) Transfer to General Reserve		29,686,460	25,043,254
9. PROFIT CARRIED FORWARD		1,699,732,913	863,418,722
10. EARNINGS PER SHARE (Face value Rs. 10)			
– Basic		70.48	39.90
– Diluted		70.48	39.90
11. Significant Accounting policies and Notes to accounts	20		

The schedules referred to above form an integral part of the Profit & Loss Account.
As per our separate report of even date.

For **P. A. & Associates**
Chartered Accountants
Firm Regn. No.: 313085E

For and on behalf of the Board

CA P. S. Panda
Partner
Membership No.: 51092

S. K. Pattanaik
Director Finance

Rajesh Agarwal
Managing Director

Tirupati
27th April, 2010

B. B. Sahoo
Company Secretary



Schedules to Balance Sheet

	(Rupees)	
	As at 31st March, 2010	As at 31st March, 2009
SCHEDULE 1 – SHARE CAPITAL		
Authorised:		
2,00,00,000 equity shares of Rs.10 each	200,000,000	200,000,000
Issued, Subscribed & Paid up:		
14,843,230 (P. Y. 12,554,000) equity shares of Rs.10/- each fully paid up	148,432,300	125,540,000
	148,432,300	125,540,000

Notes:

Of the above, 6,900,700 [FY 2006-2007] Equity shares are issued as bonus shares by capitalising general reserve and profit and loss account balance.

Of the above, 100,000 [FY 2007-2008] Equity shares of Rs. 10 each have been allotted to M/s. ARSS Engineering & Technology at a premium of Rs. 20 for the consideration other than cash.

Of the above, 2,289,230 [FY 2009-2010] Equity shares of Rs. 10 each have been allotted through IPO at a premium of Rs. 440 per share.

SCHEDULE 2 – RESERVE AND SURPLUS

Share Premium Account				
– Opening Balance	466,373,500		466,373,500	
– Add: on equity shares issued during the year	1,007,261,200	1,473,634,700	—	466,373,500
General reserve				
– Opening Balance	28,181,754		3,138,500	
– Add: Transfer from profit and loss account	29,686,460	57,868,214	25,043,254	28,181,754
Profit & Loss Account				
		1,699,732,913		863,418,722
		3,231,235,827		1,357,973,976

SCHEDULE 3 – SECURED LOANS

From Banks		
Term Loan	1,096,342,957	468,189,465
Working Capital Loan	2,885,494,519	1,390,672,703
(The above loans are secured by way of mortgage of Land & building and hypothecation of Plant & Machinery, stock & book debts.)		
Loan from NBFCs	475,827,006	323,331,633
(Against hypothecation of fixed assets acquired out of the Loan)		
	4,457,664,482	2,182,193,801

Schedules to Balance Sheet (Contd.)

	(Rupees)	
	As at 31st March, 2010	As at 31st March, 2009
SCHEDULE 4 – UNSECURED LOANS		
From Banks	—	1,882,900
From Others	12,226,366	39,178,573
	<u>12,226,366</u>	<u>41,061,473</u>

SCHEDULE 5 – DEFERRED TAX LIABILITY

Deferred Tax Liability		
– Opening Balance	63,626,322	26,449,497
– Add: addition during the year	56,784,482	37,176,825
	<u>120,410,804</u>	<u>63,626,322</u>

SCHEDULE 6 – FIXED ASSETS

Sl. No.	Particulars	GROSS BLOCK			DEPRECIATION		NET BLOCK	
		As at 1st April, 2009	Addition during the year	Deletion during the year	As at 31st March, 2010	As at 31st March, 2010	As at 31st March, 2010	As at 31st March, 2009
1.	Land							
a)	Free Hold	59,854,029	10,530,555	—	70,384,584	—	70,384,584	59,854,029
b)	Lease Hold	3,978,325	—	—	3,978,325	—	3,978,325	3,978,325
2.	Building							
a)	Factory	298,976	—	—	298,976	96,412	202,564	212,550
b)	Non-Factory	11,606,372	20,796,843	—	32,403,215	453,424	31,949,791	11,343,061
3.	Plant & Machinery	1,415,645,013	1,167,563,983	—	2,583,208,996	264,793,223	2,318,415,773	1,271,348,264
4.	Furniture & Fixtures	5,751,142	5,551,345	—	11,302,487	1,192,478	10,110,009	5,165,926
5.	Vehicles	105,275,415	42,850,891	636,758	147,489,548	25,095,273	122,394,275	92,113,129
6.	Computer	8,959,065	7,856,577	—	16,815,642	3,680,495	13,135,147	7,359,885
		<u>1,611,368,336</u>	<u>1,255,150,194</u>	<u>636,758</u>	<u>2,865,881,772</u>	<u>295,311,304</u>	<u>2,570,570,469</u>	<u>1,451,375,168</u>
7.	CAPITAL WIP	14,828,043	19,138,833	20,796,843	13,170,033	—	13,170,033	14,828,043
		<u>1,626,196,379</u>	<u>1,274,289,027</u>	<u>21,433,601</u>	<u>2,879,051,805</u>	<u>295,311,304</u>	<u>2,583,740,502</u>	<u>1,466,203,211</u>
	PREVIOUS YEAR	864,347,716	763,718,111	—	1,628,065,827	159,993,169	1,468,072,658	

Schedules to Balance Sheet (Contd.)

	As at 31st March, 2010	(Rupees) As at 31st March, 2009
SCHEDULE 7 – INVESTMENT		
(Unquoted, at cost)		
NSC including interest accrued	3,145,478	3,042,130
In Capital of Joint Ventures	30,487,394	30,362,791
In Companies under the same management	808,000	808,000
In Other Companies	—	4,000,000
	<u>34,440,872</u>	<u>38,212,921</u>
SCHEDULE 8 – INVENTORIES		
(As certified by the management)		
At cost being lower of N.R.V.		
– Raw Materials	464,589,560	255,489,710
– Stores & Spares	61,354,880	33,454,120
– Finished Goods	651,456,230	81,715,450
At completion contract method		
– Work-in-Progress	2,523,687,458	1,512,045,660
	<u>3,701,088,128</u>	<u>1,882,704,940</u>
SCHEDULE 9 – SUNDRY DEBTORS		
(Unsecured, considered good)		
Outstanding for a period more than six months	39,541,394	19,899,544
Others	746,581,507	408,633,921
	<u>786,122,901</u>	<u>428,533,465</u>
SCHEDULE 10 – CASH AND BANK BALANCES		
Cash in hand	5,412,021	10,061,541
(As certified by the management)		
Balance with Scheduled Banks		
– In Current Accounts	200,644,454	64,720,603
– In Fixed Deposit Accounts	562,163,689	448,625,358
– Interest Accrued on above	51,542,840	22,723,423
– Cheques in Hand	275,327,532	171,084,018
	<u>1,095,090,536</u>	<u>717,214,943</u>

Schedules to Balance Sheet (Contd.)

	As at 31st March, 2010	(Rupees) As at 31st March, 2009
SCHEDULE 11 – LOANS AND ADVANCES		
(Unsecured considered good)		
Advances recoverable in cash or in kind or value to be received	1,284,026,499	474,335,655
Deposits	83,248,255	41,153,845
Prepaid Expenses	38,668,903	41,545,187
Loans and advances to employees	537,280	375,591
	<u>1,406,480,936</u>	<u>557,410,278</u>
SCHEDULE 12 – CURRENT LIABILITIES		
Sundry Creditors	1,447,454,152	1,147,928,616
	<u>1,447,454,152</u>	<u>1,147,928,616</u>
SCHEDULE 13 – PROVISIONS		
Provision for Taxation	253,334,829	154,925,326
Provision for Fringe Benefit Tax	—	2,682,692
Proposed Dividend	—	12,554,000
Tax on proposed Dividend	5,045,214	2,133,552
	<u>258,380,043</u>	<u>172,295,570</u>
SCHEDULE 14 – MISCELLANEOUS EXPENDITURE		
(to the extent not written off or adjusted)		
Preliminary Expenses	68,840,098	340,000
	<u>68,840,098</u>	<u>340,000</u>



Schedules to Profit & Loss Account

	(Rupees)	
	For the Year Ended 31st March, 2010	For the Year Ended 31st March, 2009
SCHEDULE 15 – DIRECT EXPENSES		
Material Purchased including subcontracting charges	7,964,674,103	5,435,086,560
Wages	166,901,012	130,638,624
Power & Fuel	662,183,763	322,983,661
Royalty	83,657,387	33,135,962
Repair & Maintenance (Plant & Vehicle)	295,375,462	148,471,146
Hire Charges	270,999,545	82,621,504
	<u>9,443,791,273</u>	<u>6,152,937,457</u>
Increase/(Decrease) in Stock		
Opening Stock		
– Construction materials, Stores & spare parts	370,659,280	61,980,600
– Project Work-in-progress	<u>1,512,045,660</u>	<u>560,122,560</u>
Closing Stock		
– Construction materials, Stores & spare parts	1,177,400,670	370,659,280
– Project Work-in-progress	<u>2,523,687,458</u>	<u>1,882,704,940</u>
	<u>7,625,408,085</u>	<u>4,892,335,677</u>
SCHEDULE 16 – PERSONNEL EXPENSES		
Salary, Wages & Bonus	250,331,994	133,990,185
Contribution to provident fund and other fund	4,567,613	3,205,010
Staff Welfare	7,465,255	3,266,176
	<u>262,364,862</u>	<u>140,461,371</u>
SCHEDULE 17 – ADMINISTRATIVE EXPENSES		
Insurance	14,662,565	6,466,006
Fuel & Lubricants	4,987,759	4,987,354
Repair & Maintenance (O)	2,819,506	949,296
Rent, Rates & Taxes	20,567,083	11,457,708
Managerial Remuneration	20,700,000	11,980,003
General Expenses	76,206,244	34,886,203
Telephone Expenses	8,378,238	6,451,645
Bad Debt written off	—	1,240,669
Travelling & Conveyance	17,887,751	15,764,566
Electricity Charges	3,547,783	1,824,955
Payment to Auditors		
– As Audit Fees	2,095,700	1,103,000
– Internal Audit Fees	463,260	166,395
	<u>172,315,888</u>	<u>97,277,799</u>



Schedules to Profit & Loss Account (Contd.)

	(Rupees)	
	For the Year Ended 31st March, 2010	For the Year Ended 31st March, 2009
SCHEDULE 18 – SELLING EXPENSES		
Business Promotion	5,026,586	2,432,600
Advertisement	2,891,898	1,844,827
Tender Document	3,209,783	2,282,244
VAT	123,026,691	65,244,109
Service Tax	59,596,670	30,935,832
	193,751,628	102,739,612
SCHEDULE 19 – INTEREST & FINANCIAL CHARGES		
Bank Commission & Other charges	66,875,557	30,381,061
Interest	463,864,217	239,792,964
	530,739,775	270,174,025

Notes to Accounts

SCHEDULE 20 – SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

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

2. 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. Any revision to such estimates is recognised in the period the same is determined.

3. 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 capitalised at cost including an appropriate share of overhead.

4. Depreciation

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

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

Notes to Accounts (Contd.)

5. Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised 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 recognised as an expense in the period in which they are incurred.

6. Investments

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

7. 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 realisable value.

ii) Work-in-Progress

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

8. Revenue Recognition

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

9. Taxes on Income

Tax on income for current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred Tax is recognised on timing differences between the accounting income and the taxable income for the year, and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

10. Employee Benefits

i) Short-term Employee Benefits

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

ii) Post-employment Benefits

Defined contribution plan: The Company has a defined contribution plan for State Governed Provident Fund scheme and Employees State insurance scheme. The contribution paid/payable under the schemes is recognized during the period in which the employee renders related service.

iii) The Company is in the process of finalising a agency for managing the gratuity fund and ascertaining the liability on the basis of actuarial valuation. Pending finalisation of the same liability for current year has been provided on adhoc basis.

11. Contingent Liabilities and Contingent Assets

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

Notes to Accounts (Contd.)

Details of contingent liabilities are given below:

		(Rs. in Lacs)
Sl. No.	Name of the statute to which the liability relates	Amount
1.	Orissa Sales Tax Act	106.27
2.	Orissa Entry Tax Act	34.44
3.	Central Sales Tax Act	500.16
4.	Rajasthan VAT Act	219.99
5.	Andhra Pradesh Commercial Taxes (ET)	2.08
6.	Orissa Electricity Act.	47.22
7.	Corporate Guarantees to sister concerns of the Company:	
	(a) ARSS Biofuel (P) Ltd.	260.00
	(b) Anil Contractors (P) Ltd	600.00
8.	Performance Bank Guarantee	12,689.36
	Total	14,459.52

Contingent Assets are neither recognised nor disclosed in the financial statements.

12. Overdue Charges in Respect of Loans

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

B. NOTES TO ACCOUNTS

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

		(Rupees)	
Sl. No.	Particulars	As at 31st March, 2010	As at 31st March, 2009
1.	Deferred Tax Liability Relating to fixed assets	120,410,804	63,626,322
2.	Deferred Tax Asset Disallowance under Section 36(v) of the Income Tax Act, 1961	—	—
3.	Provision for deferred tax	120,410,804	63,626,322

- Statement of Utilisation of Proceeds from Public issue as on 31st March, 2010:

		(Rs. in lacs)	
Sl. No.	Particulars	As per Prospectus	Actuals
1.	Investments in joint ventures	500.00	0.00
2.	Long-term working capital requirement	8,600.00	8,346.80
3.	General corporate purpose	372.09	217.25
4.	Issue expenses	827.91	858.63
5.	Net amount available in Bank	—	877.32
	Total	10,300.00	10,300.00



Notes to Accounts (Contd.)

5. Earning Per Share (Equity of Rs. 10/- each)

Sl. No.	Particulars	(Rupees)	
		EPS	
		Basic	Diluted
1.	Net Profit After Taxation	90,07,32,325	90,07,32,325
2.	Number of equity shares		
a.	At the beginning of the period	1,25,54,000	1,25,54,000
b.	Issued during the period	22,89,230	22,89,230
c.	At the end of the period	148,43,230	148,43,230
d.	Weighted Equity shares at the end of the period	127,79,787	127,79,787
3.	Basic/Diluted EPS	70.48	70.48

6. Investment includes 80,800 equity shares of Rs. 10/- each aggregating to Rs.8,08,000 in M/s ARSS Engineering Ltd, a company under the same management.

7. Sundry debtors exceeding six months include Rs. 327.42 lacs due from joint ventures in which the company is a partner. As the recoverability of such sundry debtors is dependant on the release of security deposit and withheld amount, the company treats the debtors as good and has not made any provision against the same.

8. Loans and advances include share application money for 62,73,000 shares of Rs. 10/- each aggregating to Rs. 6.27 Crores in a sister concern of the company M/s ARSS Developers Ltd.

9. The company is in the process of finalising a agency for managing the gratuity fund and ascertaining the liability on the basis of actuarial valuation. Pending finalization of the same liability for current year of Rs. 30.51 lacs has been provided on adhoc basis.

10. The company has not received any intimation from suppliers regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amount unpaid as at the year end together with interest paid/payable as required under the said act have not been given.

11. Other particulars required pursuant to para 4 of Part II of Schedule-VI:

a. Foreign Currency Transactions:

Sl. No.	Particulars	(Rs. in lacs)	
		31st March, 2010	31st March, 2009
1.	Earnings in Foreign Currency	Nil	Nil
2.	Expenditure in Foreign Currency	Nil	Nil

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

Sl. No.	Particulars	(Rs. in lacs)	
		31st March, 2010	31st March, 2009
1.	Salaries	207.00	119.80
2.	Commission	Nil	Nil

Notes to Accounts (Contd.)

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

(Rs. in lacs)			
Sl. No.	Particulars	31st March, 2010	31st March, 2009
1.	Profit before Taxation	12,108.51	7,059.37
2.	Add : Managerial Remuneration	207.00	119.80
3.	Profit for the year as per Section 349	12,315.51	3,836.16

- d. Depreciation is provided on Straight Line Method at the rates specified in schedule XIV of the Companies Act 1956. During the year, Rs. 1,354.23 lacs (Previous year Rs. 734.88 lacs) has been provided as depreciation, asset wise detail of which is given below:

(Rs. in lacs)		
Sl. No.	Particulars	Amount
1.	Building (Factory)	0.10
2.	Building (Non-Factory)	1.90
3.	Plant & Machinery	1,204.96
4.	Furniture & Fixtures	6.07
5.	Vehicle	120.38
6.	Computer	20.82
Total		1,354.23

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

- a. Expenses

(Rs. in lacs)			
Sl. No.	Name & Nature of Relationship	Nature of Transaction	Amount
1.	Subash Agarwal, Chairman	Director's Remuneration	120.00
2.	Rajesh Agarwal, Managing Director	Director's Remuneration	60.00
3.	Sunil Agarwal, President & CEO	Managerial Remuneration	41.47
4.	Anil Agarwal, Sr. Vice President & COO	Managerial Remuneration	41.47
5.	S. K. Singla, Vice President & Project Head	Managerial Remuneration	50.35



Notes to Accounts (Contd.)

b. Other Transactions

(Rs. in lacs)			
Sl. No.	Name & Nature of Relationship	Nature of Transaction	Amount
1.	Rajesh Agarwal, Managing Director	Hire Charges	13.56
2.	Sunil Agarwal, President & CEO	Hire Charges	5.40
3.	S. K. Singla, Relative	Sub Contract	612.40
4.	M/s. Anil Agarwal, Associate	Hire Charges	1.80
5.	Ram Dulari Agarwal, Relative	Hire Charges	14.40
6.	Sanju Agarwal, Relative	Hire Charges	14.40
7.	Sangeeta Agarwal, Relative	Hire Charges	14.40
8.	Seema Agarwal, Relative	Hire Charges	14.40
9.	Sabita Agarwal, Relative	Hire Charges	14.40
10.	Harischandra-ARSSPL-JV	Sub Contract	14.40
11.	HCIL-ARSSPL-Adhikaria-JV	Sub Contract	856.65
12.	Niraj-ARSS-JV	Sub Contract	5,168.58
13.	ARSS-HCIL-Consortium	Sub Contract	711.45
14.	ARSS-ANPR JV	Sub Contract	811.55
15.	ARSS-Triveni JV	Sub Contract	1,652.64
16.	Back Bone ARSS-JV	Sub Contract	903.75
17.	Atlanta ARSS JV	Sub Contract	1,414.83
18.	Patel ARSS JV	Sub Contract	6,235.72
19.	Anil Contractors Pvt. Ltd.	Sub Contract	2,532.54
20.	ARSS Atlanta JV	Sub Contract	105.06

13. Since the Company carries on the business of Construction, being a service industry the quantitative information as required under para 3 of part II of Schedule-VI is not being furnished.

14. Previous year figures have been rearranged and regrouped wherever considered necessary.

As per our separate report of even date.

For **P. A. & Associates**
Chartered Accountants
Firm Regn. No.: 313085E

CA P. S. Panda
Partner
Membership No.: 51092

Tirupati
27th April, 2010

For and on behalf of the Board

S. K. Pattanaik
Director Finance

Rajesh Agarwal
Managing Director

B. B. Sahoo
Company Secretary

Cash Flow Statement

for the year ended on

	(Rupees)	
	31st March, 2010	31st March, 2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation and exceptional items	1,210,851,636	705,936,654
Add: Adjustments for:		
– Depreciation	135,423,261	73,168,097
– Interest paid	530,739,775	270,174,025
– Loss on sale of assets	531,632	
– Preliminary Exp. W/o	17,362,525	190,000
Operating profit before working capital change	1,894,908,828	1,049,468,776
Add: Adjustments for:		
– Trade and other receivables	-1,206,660,093	174,597,784
– Inventories	-1,818,383,188	-1,260,601,780
– Trade creditors & other liabilities	299,525,536	288,993,527
Cash generation from operation	-830,608,918	252,458,307
Income tax and Fringe Benefit Tax	172,295,569	102,421,748
Net cash from operating activities	-1,002,904,487	150,036,559
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-1,253,492,186	-763,718,111
Sale of Fixed Assets	—	1,869,448
Preliminary expenditure	-85,862,623	—
Investment	3,772,049	-12,776,000
Net cash from Investing Activities	-1,335,582,760	-774,624,663
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Share Capital & Premium	1,030,153,500	—
Dividend Paid	-29,686,460	—
Interest paid	-530,739,775	-270,174,025
Unsecured Loan accepted	-28,835,107	31,061,473
Borrowings availed including repayment	2,275,470,682	1,206,916,332
Net cash from Financing activities	2,716,362,840	967,803,780
D. Increase/Decrease in cash and cash equivalent	377,875,593	343,215,676
E. Cash and cash equivalent as at beginning	717,214,944	373,999,268
F. Cash and cash equivalent as at closing	1,095,090,537	717,214,944

As per our separate report of even date.

For **P. A. & Associates**
Chartered Accountants
Firm Regn. No.: 313085E

CA P. S. Panda
Partner
Membership No.: 51092

Tirupati
27th April, 2010

For and on behalf of the Board

S. K. Pattanaik
Director Finance

Rajesh Agarwal
Managing Director

B. B. Sahoo
Company Secretary

Additional information as required under Part IV of Schedule-VI to the Companies Act, 1956

Balance Sheet Abstract and Company's General Business Profile:

I. Registration Details:

Registration No.: U 1 4 1 0 3 O R 2 0 0 0 P L C 0 0 6 2 3 0

Balance Sheet Date: 3 1 - 0 3 - 2 0 1 0 State Code: 1 5

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

Public Issue: 1 0 3 0 1 5 3 Right Issue: N I L

Bonus Issue: N I L Private Placement: N I L

Share Application Money: N I L

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

Total Liabilities: 9 6 7 5 8 0 4 Total Assets: 9 6 7 5 8 0 4

Sources of Funds:

Paid up Capital: 1 4 8 4 3 2

Share Application Money: N I L

Reserves and Surplus: 3 2 3 1 2 3 5

Secured Loans: 4 4 5 7 6 6 4

Unsecured Loans: 1 2 2 2 6

Application of Funds:

Net Fixed Assets: 2 5 8 3 7 4 0

Investment: 3 4 4 4 0

Net Current Assets: 5 2 8 2 9 4 8

Miscellaneous Expenditure: 6 8 8 4 0

Profit and Loss Account: N I L

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

Net Turnover: 1 0 1 3 0 8 5 5

Total Expenditure: 8 9 2 0 0 0 3

Profit/(-) Loss before tax: 1 2 1 0 8 5 1

Profit/(-) Loss after tax: 9 0 0 7 3 2

Earnings per Share in Rs.:

– Basic: 7 0

Dividend Rate in %: 2 0

– Diluted: 7 0

V. Generic Names of Principal Products of the Company

Item Code Number: N I L

Product Description: W o r k s C o n t r a c t

Item Code Number: [] [] [] [] [] [] [] [] [] [] [] [] [] [] [] []

Product Description: [] [] [] [] [] [] [] [] [] [] [] [] [] [] [] []

As per our separate report of even date.

For an behalf of the Board

CA P. S. Panda
Partner
Membership No. 51092

S. K. Pattanaik
Director Finance

Rajesh Agarwal
Managing Director

Tirupati
27th April, 2010

B. B. Sahoo
Company Secretary



ARSS INFRASTRUCTURE PROJECTS LIMITED

REGISTERED OFFICE: PLOT NO. 38, SECTOR-A, ZONE-D
MANCHESWAR INDUSTRIAL ESTATE
BHUBANESWAR-751010

ATTENDANCE CARD

L.F. No. _____

No. of Shares held _____

DP ID _____

Clint ID _____

I/We hereby record my/our presence at the 10th Annual General Meeting of the Company on Monday, 26th July, 2010 at 11.30 a.m. at Registered Office of the Company at Plot No. 38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar-751010, Orissa.

Name of the Member _____

(In block letter)

Signature of member/proxy* _____

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



ARSS INFRASTRUCTURE PROJECTS LIMITED

REGISTERED OFFICE: PLOT NO. 38, SECTOR-A, ZONE-D
MANCHESWAR INDUSTRIAL ESTATE
BHUBANESWAR-751010

FORM OF PROXY

L.F. No. _____

No of Shares held _____

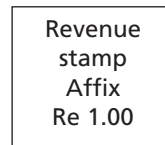
DP ID _____

Clint ID _____

I/We _____ being a member/members of the above named Company hereby appoint or failing him _____ as my/our proxy to vote for me/us on my/our behalf at the 10th Annual General Meeting of the Company on Monday, 26th July, 2010 at 11.30 a.m. at Registered Office of the Company at Plot No. 38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar-751010, Orissa or at any adjournment thereof.

Signed this _____ Day of _____ 2010

Signature _____



Signature

(Please sign across the stamp)

Notes:

1. The form should be signed across the stamp as per specimen signature registered with the Company.
2. The proxy must be deposited at the registered office of the Company not less than 48 hours before the time of holding the meeting.
3. A proxy need not be a member.



ARSS Infrastructure Projects Limited

Plot-no-38, Sector-A, Zone-D
Mancheswar Industrial Estate
Bhubaneswar-751010
Phone no-0674-2588552/2588554
E-mail: response@arssgroup.in