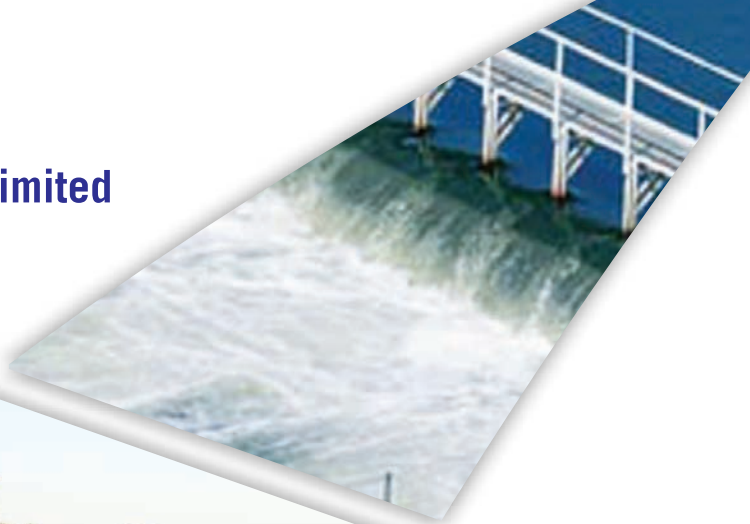




ARSS Infrastructure Projects Limited



2013-14
Annual Report

CONTENTS

Chairman's Letter to Shareholders	1
Director's Report	3
Report on Corporate Governance	9
Report on Management Discussion and Analysis	19
Auditor's Report	21
Annual Accounts for the year 2013-14	26
Notice	42

Chairman's Letter to Shareholders

Dear Shareholders,

The past few years were challenging not only for infrastructure industry but also the entire economy as well. Our company was no exception to it owing to severe economic slowdown and persistent recession. However, our company have faced the challenges audaciously and improved the bottom line and came back to profitability. You will be happy to note that our sustained endeavor inspite of continuous adversity we have not only thwarted the economic slowdown but also came out successful for a brighter future ahead. This year operating result will show you the fruits of our continuous labor. I hope and expect your sustained cooperation in our fight for profitability and growth and to regain the status as an infrastructure giant in eastern India.

The Company is now concentrating on consolidation of activities of the company with a focus on major projects and abandoning small projects and non remunerative projects. Conducive political environment and stable government would be helpful for the industry to revive and gain momentum.

The Company has an order book of more than 2000 core in hand. The demand for infrastructure is greater than ever and we are hopeful that the infrastructure industry will bounce back. Notably, your company is one of the major player in infrastructure sector in Eastern India.

Finally I am thankful to all shareholders for reposing faith in us and convey my gratitude to our management team, employees, suppliers, associates and clients for their continued support.

Best Regards

A handwritten signature in black ink that reads 'S. Agarwal' with a horizontal line underneath.

Subash Agarwal
Chairman

Company Information

Board of Directors

Chairman

Mr. Subash Agarwal

Independent Directors

Mr. Swarup Chandra Parija

Mr. Upendra Nath Challu

Nominee Director

Mr. Krishna Chandra Raut

Executive Directors

Mr. Rajesh Agarwal
Managing Director

Mr. Soumendra Keshari Pattanaik
Director Finance & CFO

Senior Executives

Mr. Sunil Agarwal
President & CEO

Mr. Anil Agarwal
Sr. VP & COO

Registered Office

Plot No-38, Sector-A Zone-D,
Mancheswar Industrial Estate
Bhubaneswar-751010
Phone - 91 674 258 8552 – 4
Fax- 91 674 258 5074
Email – response@arssgroup.in
Website - www.arssgroup.in

Corporate Office

ARSS Mail, Plot No-40,
Community Centre, Block-A,
Paschim Vihar,
Opposite to Jwalaheri Market,
New Delhi - 110063
Phone – 91 11 48 63 6363
Fax - 91 11 48 63 6339
E-mail- delhi@arssgroup.in

Board Committees

Audit Committee

Mr. Swarup Chandra Parija, Chairman
Independent Director (Chairman of the Committee)

Mr. Upendra Nath Challu
Independent Director

Mr. Krishna Chandra Raut
Nominee Director

Stakeholders Relationship Committee

Mr. Upendra Nath Challu,
Independent Director (Chairman of the Committee)

Mr. Swarup Chandra Parija
Independent Director

Mr. Krishna Chandra Raut
Nominee Director

Nomination and Remuneration Committee

Mr. Swarup Chandra Parija,
Independent Director (Chairman of the Committee)

Mr. Upendra Nath Challu
Independent Director

Mr. Krishna Chandra Raut
Nominee Director

Corporate Social Responsibility and Committee

Mr. Rajesh Agarwal
Managing Director *(Chairman of the Committee)*

Mr. Swarup Chandra Parija
Independent Director

Mr. Upendra Nath Challu
Independent Director

Company Secretary and Compliance Officer

Mr. Sushanta Pradhan

Auditors

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

Bankers

State Bank of India
Bank of India
ICICI Bank Ltd
IDBI Bank Ltd
Punjab National Bank
State Bank of Bikaner and Jaipur
HDFC Bank Ltd
AXIS Bank Ltd

Registrar and Share Transfer Agents

Bigshare Services Private Limited
E/2, Ansa Industrial Estate,
Sakivihar Road, Sakinaka,
Andheri (E), Mumbai – 400 072
Tel: + 91 22 2847 0652, 4043 0200
Fax: + 91 22 2847 5207
e-mail: edp@bigshareonline.com
Website: www.bigshareonline.com

Directors' Report

Your Directors have pleasure in presenting the Fourteenth Annual Report together with the Audited Accounts of the Company for the financial year ending 31st March, 2014.

1. Financial Highlights :

(₹ In Crores)

Particulars	2013-14	2012-13
Sales & Other Income	901.42	770.98
Profit before Depreciation, Interest and Tax	199.49	109.40
Less : Depreciation	34.95	35.60
Interest	163.10	133.81
Profit Before Tax	1.44	(60.01)
Less : Tax Expenses		
a) Current Year	0.30	-
b) Earlier Year	-	-
c) Deferred Tax	(0.53)	4.56
Profit/Loss After Tax	1.67	(64.59)
Balance brought forward from previous year		-
Amount Available for Appropriation		-
Appropriations		
a) Dividend	-	-
b) Tax on Dividend	-	-
c) Transfer to General Reserve	-	-
Balance Carried to Balance Sheet	-	-
Earnings per Share (In ₹) (equity shares of face value of ₹ 10)	1.12	(43.51)

2. Operating Result :

During the year, the turnover of your Company has gone up to ₹ 901.42 from ₹ 770.98 Crores in the previous financial year with a profit margin of ₹ 1.67 Crores as against a loss of ₹ 64.59 Crores in the previous year. The financial result under review were marginally better due to strict adherence to cost cutting, abandonment of loss making projects and proper utilization of resources.

Moreover, the infrastructure industry all over India is passing through a very tough phase and your Company is no exception to it. Your Directors expect improvement in the performance of the Company in the current year.

3. Consolidated Financial Statements:

Consolidated financial statements in terms of Section-212 of the erstwhile Companies Act, 1956 read with accounting Standard AS 21, issued by the Institute of Chartered Accountants of India and as required by the Listing Agreements with Stock Exchange(s), could not be prepared due to dispute between the Company and one of its subsidiary namely ARSS Bus Terminal Private Limited. Accordingly the Management has moved Company Law Board against the subsidiary for oppression and mismanagement and a company petition no.183/2013 is pending before the Company Law Board for hearing.

4. Dividend:

Due to paucity of funds your Directors express their inability for recommendation of dividend during the year under review.

5. Order Book:

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

- a) Supply and installation of track (excluding supply of rails) Signaling and overhead equipment (OHE) & associated equipment for 25 KV AC traction, in connection with doubling of railway line between Barang - Rajatgarh (25 KM) Cuttack Barang (12KM) and 3rd line between Barabg Khurda Road (35KM) in the State of Orissa, India with a contract value of ₹ 210.69 crores.
- b) Construction of new 2 lane Highway from Km 38.00 to Km 71.00 (Length=33 Km.) in Mizoram in Phase "A" of SARDP-NE (Package-II), having a contract value of ₹ 190.18 crores.
- c) Balance work of construction of Roadbed including Minor and Major Bridges, facilities and General Electrification for doubling of Railway line between Barang-Rajatgarh (excluding Ghantikal-Naraj Section), Cuttack- Barang and 3rd line between Barang- Bhubaneswar in the State of Orissa, having a contract value of ₹ 158.47 crores.
- d) Widening to 2-lane and improvement in km 0.00 to 102.9 of Paralakhumundi -R. Udayagiri-Mohana Road (S.H.-34) under LWE Scheme, with a contract value of ₹ 153.91 Crores.
- e) Construction of BRTS Corridor and development of road Contract for Package No. IIB: Sanganer Airport to 22Godam Via Rambagh crossing including Elevated Road at Durgapura (10.50 Km). (NCSL) with a contract value of ₹ 130.00Crores.
- f) Construction of earthwork, bridges, supply of P-way material, supply of ballast and P-way linking for proposed private railway siding taking off from Chacher railway station to in plany yard and including inplant yard of NTPC Mauda (but excluding works within railway boundary and excluding rail over rail bridge) Dist Nagpur (M.S.) with a contract value of ₹ 114.49Crores.
- g) Improvement of existing intermediate lane of NH-44 Rathachera - Chaurabari section to two lane with pavedshoulder from Km 230/200 to Km 247/000, Km 260/109 to 261/761 & Km 271/00 to 284/053 (Aggregating to = 30.279 Km) under SARDP-NE in Assam under Silchar NH-Division in State of Assam with a contract value of ₹ 104.04 Crores.
- h) Earthwork in formation (excluding Blanket), minor bridges between Km 19.000 to Km. 47.000 and 3 nos. of Steelgirder bridges, 8 no.s of Road Over Bridges between Km 19.000 to Km 67.000 in connection with Angul-Sukinda new railway BG line in the state of Odisha, India. With contract value of ₹ 144.00 Crore.
- i) Contract Package 3: "BOLANGIR (Excl) - TITLAGARH (Incl) section (63.193 Kms) part of SAMBALPUR-TITLAGARH Doubling in SAMBALPUR Division of East Coast Railway in the states of ORISSA, India with a contract value of ₹ 106.52 Crores.
- j) Widening & Strengthening of Parvatipur - Laxmipur road (SH-51) from 12/600 to 42/830 Km, 44/280 to 53/900 Km, 54/900 to 59/200 Km and 65/180 to 68/380 Km on EPC mode with a contract value of ₹ 96.50 Crores.

6. 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 reappointment.

The Company has received letter from them to the effect that their reappointment, if made, would be within the prescribed limits under Section 139 of the Companies Act, 2013.

7. Report of Auditors:

Our reply to the qualifications of Auditors in seriatim-

- a) In absence of working papers on physical verification of inventories, discrepancies, if any, between book and physical inventories could not be ascertained including effect of the same in the financial statements of the company.

Our Reply-

Physical verification of stock of all the locations of the Company is generally done once in a year by the auditor, appointed by the lenders. The last stock audit report dated 28.04.2014 was received on 01.05.2014. Since the report was not available on the date of statutory audit report dt. 30.04.2014, it was qualified.

- b) Interest on delayed payment of statutory dues excluding TDS has not been provided for, which has neither been quantified nor the effect of the same on the financial statements has been ascertained.

Our Reply-

Interest on delayed deposit of TDS has been quantified and provided for in the accounts of 2013-14. However, the interest on delayed deposit of other statutory dues could not be computed and the same is accounted for as and when the demand is raised. However, effort has been made to compute the interest liability upto 31.03.2014 and effect of the same will be given in quarterly accounts of 30.06.2014.

- c) No provision has been made against performance bank guarantees invoked amounting to ₹ 89.83 Crores against the company and disputed by it.

Our Reply-

The Company has lodged claims against the said action taken by the contractees and the matter is under arbitration. Hence, no provision has been made in the books of accounts.

- d) No provision has been made against claims recoverable amounting to ₹ 734.44 Crores disputed by the parties and referred for arbitration.

Our Reply-

The claim has been made based on the actual work done even though it is not acknowledged by the contractee. Since corresponding expenditure has been incurred and based on the certificates obtained from the site in charge the revenue has been recognized. The Company is pursuing the matter and shortfall if any during the settlement/ arbitration will be provided for on the date of settlement/ arbitration.

- e) Revenue includes ₹ 292.44 Crores against claims raised on different parties, which has neither been acknowledged nor recoverability of which is ascertainable.

Our Reply-

As explained in the above paragraph the work has been executed even though the same has not been acknowledged by the contractee to avoid black listing. In general perception the same is recognized by the department after achievement of the milestone. However, against the above work done, the Company has lodged claim with the department and the matter is under arbitration.

- f) The Company has not given effect to the loss of Fixed Assets in fire with a gross value of ₹ 3.78 Crores resulting charging of higher depreciation by ₹ 0.67 Crores and reduction in profit by the same amount. The gross value of fixed assets has remained higher by ₹ 3.78 crores.

Our Reply-

The amount borrowed by the Company has been restructured under the CDR mechanism and we are focusing on the key areas for the viability of the Company and events which are not material has not been considered. However, the same shall be complied during the current financial year.

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

Our Reply-

The amount borrowed by the Company has been restructured under the CDR mechanism and we are focusing on the key areas for the viability of the Company and events which are not material has not been considered. However, the same shall be complied during the current financial year.

- h) In absence of details of potential equity shares, diluted earning per share has not been ascertained in compliance with AS-20- "Earning per Share" issued by the Institute of Chartered Accountants of India.

Our Reply-

The amount borrowed by the Company has been restructured under the CDR mechanism and we are focusing on the key areas for the viability of the Company and events which are not material has not been considered. However, the same shall be complied during the current financial year.

- i) Cost of leasehold Land has not been amortized which is not in conformity with AS-19- "Accounting for Leases" issued by the Institute of Chartered Accountants of India. Amount of amortisation not ascertained.

Our Reply-

The amount borrowed by the Company has been restructured under the CDR mechanism and we are focusing on the key areas for the viability of the Company and events which are not material has not been considered. However, the same shall be complied during the current financial year.

- j) Interest amounting to ₹ 3.18 Crores on inter corporate deposits received has not been charged to Profit & Loss Account resulting in overstatement of profit to that extent.

Our Reply-

The said loan was given by the lender for a particular PPP project with a condition to convert the same as income after occurring of the event in a future date. However, the matter is now under litigation and sub-judice since the PPP project was terminated. Hence, status quo is maintained and accounting effect of the same will be given after the verdict of the Hon'ble Court.

- k) In the absence of accounts of ARSS Balajee JV, HCIL-Adhikarya-ARSS JV, HCIL-ARSSPL JV, HCIL-ARSS-Kalindee JV, ARSS-MVPL JV and HCIL-ARSSPL-Triveni JV, discrepancies, if any, between the said accounts with that of the Company is not ascertainable.

Our Reply-

The accounts of the JVs has not been finalized. However, most of the JVs have become inoperative. The accounting effect of discrepancies if any after the finalization of the accounts will be given at current date.

8. Directors:

During the year Mr. K.C.Raut, Nominee of State Bank of India was appointed as Nominee Director w.e.f. 10.05.2013.

Mr. Rajesh Agarwal (Managing Director) and Mr. Soumendra Keshari Pattanaik, Director (Finance) who retires by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

9. Particulars of Employees:

As required under the provision of section 217(2A) of the erstwhile Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, there was no employees who have drawn salary or appointed under this category during the financial year 2013-14.

10. Responsibility Statement:

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

- i) that in the preparation of Annual Accounts, the applicable Accounting Standards issued by The Institute of Chartered Accountants of India have been followed by the Company and there has been no material departure.
- ii) that the Directors have selected such Accounting Policies and applied them consistently and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2014 and of the profit of the Company for the year ended on that date.
- iii) that the Directors have taken Proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of Sec-209 of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities and
- iv) That the Directors have prepared the Annual Accounts on a going concern basis.

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

During the year under review, the Company has taken adequate measures for conservation of energy and also has not gone 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 financial year ended 31st March, 2014.

12. Public Deposits:

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

13. Corporate Governance:

Your Company is committed for adopting best ethical business practices in the management within the regulatory framework applicable to it. Accountability, Disclosure and strict compliance is the essence of good corporate governance. On the one hand good corporate governance calls for accountability of the persons who are the helm of affairs of the Company and on the other hand 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 and in maintaining transparency 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 organization and solidarity with the management of the Company have helped to cope with the present challenges of the Company during the year.

15. Corporate Debt Restructuring (CDR):

Your directors are pleased to intimate you that the Promoters and their associated have successfully adhered to the covenants of Corporate Debt Restructuring Scheme issued by the Corporate Debt Restructuring Empowered Group by bringing in ₹ 60 Crore as their contribution with in 31.3.2014.

16. Inspection under Section 209A of the Companies Act, 1956:

The inspection of books and accounts which was carried out under Section 209A of the Companies Act, 1956 by the officials of Regional Director, Eastern Region, Ministry of Corporate Affairs have been completed and the company has suitably replied the PFL issued by the Department.

17. Acknowledgement:

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

For and on behalf of the Board of Directors

Place: Bhubaneswar

Dated: The 30th day of April, 2014

Sd/-
(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, 2014 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)

(CA.B.N. Dash)

Partner

Membership.No.062142

Place : Bhubaneswar

Date : The 30th day of April, 2014

Report on Corporate Governance

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

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

ARSS Infrastructure Projects Ltd. aims at becoming a professionally managed Company committed to meet its legal, ethical & social commitments with total satisfaction of its clients and enhancing shareholders value. The Company shall be an innovative, entrepreneurial and empowered entity constantly creating value and attending high standards of corporate goals. It shall foster a culture of caring trust and continuous learning while meeting expectations of employees, stakeholders and the society.

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 as on 31.03.2014 out of which two are Independent Directors and three are Nominee Directors. Composition of the Board and category of Directors are as follows:

Category	Name of the Directors
Chairman	Sri Subash Agarwal
Independent Directors	Sri Swarup Chandra Parija
	Sri Upendra Nath Challu
Nominee Directors	Sri. Bommana Ramesh babu
	Sri. Parmod kumar Sharma
	Sri. Krishna Chandra Raut
Executive Directors	Sri Rajesh Agarwal, Managing Director
	Sri Soumendra Keshari Pattanaik, Director(Finance).

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 do 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 years of any :
 - 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		Attendance at Last AGM	No of other Directors hip	Membership in the committees Of other Companies	
		Held During the tenure	Attended			Member ship	Chairman-ships
Mr. Subash Agarwal Chairman	00218066	4	3	Yes	4	Nil	Nil
Mr. Swarup Chandra Parija Independent Director	00363608	4	4	Yes	2	Nil	Nil
Mr. Upendra Nath Challu Independent Director	05214065	4	4	Yes	3	Nil	Nil
Mr. Rajesh Agarwal Managing Director	00217823	4	4	Yes	3	Nil	Nil
Mr. Soumendra Keshari Pattanaik Director (Finance)	00009924	4	4	Yes	1	Nil	Nil
Mr. Bommana Ramesh babu Nominee Director	05293558	4	3	No	Nil	Nil	Nil
Mr. Parmod kumar Sharma Nominee Director	06430363	4	2	No	Nil	Nil	Nil
Mr. Krishna Chandra Raut * Nominee Director	03592433	4	3	No	2	Nil	Nil

Notes:-

* Mr. Krishna Chandra Raut appointed as Nominee Directors w.e.f. 11-05- 13.

2.5 No. of Board Meetings

During the year 2013-14, the Board of Directors met four times. The dates of Board meetings were 11th May,2013, 10th August ,2013, 13th November, 2013, and 13th February,2014. The maximum time gap between any two consecutive meetings did not exceed 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 year the audit committee of the Board and other related information are provide hereunder

Name of the member	Position	No. Of Meetings held	No. of meetings attend	Sitting fees paid (In ₹)
Mr. Swarup Chandra Parija	Chairman	4	4	80,000
Dr. Bidhubhushan Samal#	Member	4	NIL	NIL
Mr. Upendra Nath Challu	Member	4	4	80,000
Mr. Bommana Ramesh babu	Member	4	3	60,000
Mr. Krishna Chandra Raut *	Member	4	1	20,000

Notes:-

* Mr. Krishna Chandra Raut appointed as Nominee Director w.e.f. 11-05- 13.

#Dr. Bidhubhusan Samal resigned from Board of Directors w.e.f 10-08-13.

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 Sushanta Pradhan 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, reappointment 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 has been 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:

The Audit Committee met Four times during the year on 11th May,2013, 10th August ,2013, 13th November, 2013, and 13th February,2014.

Executive of Accounts, Finance and Secretarial Department and Representatives of the Statutory, Internal Auditors and Concurrent 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:

During the financial year the Remuneration Committee Meeting of the Board comprised of following three Directors out of which two are Independent Directors and one is nominee of State Bank of India in their attendance are given below:

Name of the member	Position	No. Of Meetings held	No. of meetings attend	Sitting fees paid (In ₹)
Mr. Swarup Chandra Parija	Chairman	4	4	80,000
Mr. Upendra Nath Challu	Member	4	4	80,000
Dr. Bidhubhushan Samal#	Member	4	NIL	NIL
Mr. Krishna Chandra Raut*	Member	4	1	20,000

* Mr. Krishna Chandra Raut appointed as Nominee Directors w.e.f. 11-05- 13 and inducted into the Committee on 13.11.2013.

Dr. Bidhubhushan Samal resigned from Board of Directors w.e.f 10-08-13.

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) 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.

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

(₹ In Lacs)

Name of the Director	Position	Salary	Total
Sri Subash Agarwal	Chairman	48.00	48.00
Sri Rajesh Agarwal	Mg. Director	48.00	48.00
Sri Soumendra Keshari Pattanaik	Director (F)	30.00	30.00

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 ₹ 20,000/- for attending each meeting of the Board and ₹ 20,000/- for attending each committee meetings.

e) **Sitting fee paid to the Non-Executive Directors, for 2013-14 are as detailed below:**

(₹ In lacs)

Name of the Director	Amount
Dr. Bidhubhusan Samal #	NIL
Mr. Swarup Chandra Parija	3.20
Mr. Upendra Nath Challu	3.20
Mr. Bommana Ramesh babu	1.20
Mr. Krishna Chandra Raut *	1.20
Mr. Parmod Kumar Sharma	NIL

Notes:-

* Mr. Krishna Chandra Raut appointed as Nominee Director w.e.f. 11-05- 13 and inducted into the Committee on 13.11.2013

Dr. Bidhubhusan Samal resigned from Board of Directors w.e.f 10-08-13.

3.3 Shareholders' / Investors' Grievance Committee

a) **Composition:**

During the Financial Year the Shareholder's/ Investor's Grievance Committee of the Board comprised of following three Directors out of which two are Independent Directors and one is nominee of State Bank of India and their attendance are given below:

Name of the member	Position	No. of Meetings held	No. of meetings attend	Sitting fees paid
Mr. Swarup Chandra Parija	Chairman	4	4	80,000
Mr. Upendra Nath Challu	Member	4	3	60,000
Mr. Krishna Chandra Raut *	Member	4	1	20,000

Notes:-

* Mr. Krishna Chandra Rout appointed as Nominee Directors w.e.f. 11-05- 13 and inducted into the Committee on 13.11.2013.

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) **Compliance Officer**

Shri Sushanta Pradhan, 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, centers 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 2013-14.

Sd/-
Subash Agarwal
Chairman

5. Annual General Meetings:

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

Year	Location	Date	Time
2011	Hotel Mayfair Lagoon, Bhubaneswar – 751 015, Orissa.	24-09-2011	03.00 P.M
2012	Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar – 751 010.	11-08-2012	11.00 A.M
2013	Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar – 751 010.	27-09-2013	11.00 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 '29', forming Part of the Annual Report.

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

b) Details of non-compliance by the Company.

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

7. Means of Communication.

Official news release, detailed presentations made to 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 are 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	On 18 th July, 2014 at 11.00 A.M at the Regd. Office of the Company at Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar – 751 010.
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9. Financial Calendar 2014-2015.

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

Unaudited Financial Results for the first quarter ending 30 th June, 2014	Within 45 days from 30 th June, 2014.
Unaudited Financial Results for the second quarter ending 30 th September, 2014	Within 45 days from 30 th September, 2014.
Unaudited Financial Rresults for the third quarter ending 31 st December, 2014	Within 45 days from 30 th December, 2014.
Unaudited/ Audited Financial Results for the year ending 31 st March , 2015	Within 60 days from 31 st March, 2015.

10. Dividend

Due to paucity of funds your Directors express their inability for recommendation of dividend during the year under review.

11. Listing

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 2014-15 have been deposited with NSE & BSE. The Company has deposited the custodial fees for the year 2014-15 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, 2014.

12. Stock Code

ISIN (Equity Shares)	INE267101010 (NSDL & CDSL)
BSE Code	533163
NSE Code	ARSSINFRA – EQ

13. Corporate Identification Number

Corporate Identity Number (CIN) of the Company, allotted by the Ministry of Corporate Affairs, Government of India is L14103OR2000PLC006230.

14. Stock Market data

High, lows and volumes of ARSS for 2013-14 at BSE and NSE

Sl. No	Month	BSE			NSE		
		High Price (In ₹)	Low Price (In ₹)	No. of Share Traded	High Price (In ₹)	Low Price (In ₹)	No. of Share Traded
1	Apr-13	35.15	29.50	1,225,081	38.35	29.00	2,240,489
2	May-13	36.65	28.00	1,094,434	36.70	28.00	2,613,439
3	Jun-13	29.80	16.75	7,443,661	29.90	16.70	1,718,095
4	Jul-13	25.25	13.70	7,556,980	25.50	15.40	1,551,880
5	Aug-13	17.75	14.55	4,706,975	18.90	14.50	743,019
6	Sep-13	26.70	15.40	12,148,006	20.60	14.55	2,436,215
7	Oct-13	22.90	19.05	7,980,716	22.65	19.00	391,750
8	Nov-13	23.00	18.75	611,178	22.75	18.80	585,878
9	Dec-13	22.75	19.30	1,990,556	22.80	19.10	1,121,019
10	Jan-14	26.80	20.25	1,428,095	26.85	20.21	2,916,641
11	Feb-14	21.95	18.45	243,331	22.50	18.40	627,573
12	Mar-14	24.60	18.20	855,758	24.80	18.15	1,594,504

15. Dematerialization of Shares

The Company's Shares are available for dematerialisation with 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 2014, 1,48,30,003 Equity Shares representing 99.91% 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, 2014 is given below.

Particulars	No. of Shares	% age
Physical Segment	13,227	0.09
Demat Segment		
NSDL	93,58,921	63.05
CDSL	54,71,082	36.86
Total	1,48,43,230	100.00

16. 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

17. Shareholding Pattern as on 31st March, 2014.

SHAREHOLDING PATTERN AS ON 31.03.2014					
SL. NO	CATEGORY	FOLIOS	%AGE	SHARES	%AGE
1	CORPORATE BODIES	505	2.19	2,996,340	20.18
2	FOREIGN INST. INVESTOR	2	0.01	8,502	0.06
4	NON RESIDENT INDIANS	166	0.72	673,806	4.54
5	PROMOTERS	8	0.03	2,799,648	18.86
6	PUBLIC	22,260	96.61	8,199,197	55.24
7	OTHERS	100	0.43	165,737	1.12
TOTAL		23,041	100.00	14,843,230	100.00

18. Top Ten Shareholders of the Company as on 31st March, 2014.

SR. NO	SHAREHOLDER'S NAME	CATEGORY	SHARES	%AGE
1	SUBASH AGARWAL	PROMOTERS	1,173,500	7.91
2	MOHANLAL AGARWAL	PROMOTERS	761,750	5.13
3	SREI EQUIPMENT FINANCE PRIVATE LIMITED	CORPORATE BODIES	600,000	4.04
4	SATHYAMOORTHY DEVARAJULU	PUBLIC	540,000	3.64
5	RAJESH AGARWAL	PROMOTERS	356,000	2.40
6	TAO BUILDERS AND DEVELOPERS PVT LTD.	CORPORATE BODIES	343,000	2.31
7	ANIL AGARWAL	PROMOTERS	290,000	1.95
8	BOMBAY CABLE CO. PVT. LTD.	CORPORATE BODIES	200,000	1.35
9	ANITA CHAINRAI	NON RESIDENT INDIANS	192,500	1.30
10	BALRAM AGARWAL	NON RESIDENT INDIANS	180,705	1.22
TOTAL			4,637,455	31.24

19. Distribution Scheduled of shareholding as on 31st March, 2014.

Range	As on 31 st March, 2014				As on 31 st March, 2013			
	Folios	%age	Shares	%age	Folios	%age	Shares	%age
Up to 500	20,061	87.07	2,227,527	15.01	21,686	88.74	2,300,641	15.50
501-1000	1,454	6.31	1,161,755	7.83	1,395	5.71	1,117,561	7.53
1001-2000	739	3.21	1,123,976	7.57	663	2.71	997,322	6.72
2001-3000	283	1.23	719,270	4.85	235	0.96	592,774	3.99
3001-4000	126	0.55	453,009	3.05	112	0.46	394,964	2.66
4001-5000	106	0.46	497,476	3.35	99	0.41	465,729	3.14
5001-10000	149	0.65	1,050,090	7.07	132	0.54	910,780	6.14
10001 and above	123	0.53	7,610,127	51.27	117	0.48	8,063,459	54.32
TOTAL	23,041	100.00	14,843,230	100.00	24,439	100.00	14,843,230	100.00

20. 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: sushanta.pradhan@arssgroup.in

For and on behalf of the Board of Directors

Place: Bhubaneswar
 Date: 30.04. 2014

(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 : Bhubaneswar

(Rajesh Agarwal)

Dated : The 30th day of April, 2014

Managing Director

To
The Board of Directors

ARSS Infrastructure Projects Ltd.
Regd. Office: Sector-A, Zone-D, Plot No. -38
Mancheswar Industrial Estate,
Bhubaneswar - 751 010.
Orissa

Dear Sirs,

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, 2014 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: - Bhubaneswar
Date: - The 30th day of April, 2014

(S.K.Pattanaik)
Director Finance

(Rajesh Agarwal)
Managing Director

Report on Management Discussion and Analysis

1. Industry Scenario and Economic Recovery:

Distressed performance by the infrastructure sector for the third year in a row is very disheartening for both the industry and investors. Construction activity has reduced considerably in our Country and the growth rate of the construction sector has gone down considerably. Hopefully the economic condition of the country will revive with the clear mandate of the people of the country which could help for formation of a Stable Government in the centre.

2. Business Performance :

The year 2013-14 was very tough and performance of the Company was marginally better considering the economic scenario of the Country but not satisfactory. Turnover has gone up by ₹ 130.43 Crore in comparison to the turnover of ₹ 770.98 Crore in previous fiscal. The order book position of the Company is remain healthy and contracts worth more than ₹ 2,000 Crores are in hand for execution. After a gap of two financial years the Company has returned to profit fold with a profit margin of ₹ 1.67 Crore in the last financial year.

The abridged profit and Loss statement for the financial year ended on 31st March, 2014 is as follows.

(₹ In crores)

	2013-14	2012-2013	%change
Net Sales & other income	901.42	770.98	16.92
Profit before interest, Depreciation and Tax	199.49	109.40	82.29
Depreciation	34.95	35.60	(1.83)
Provision for Tax	(0.29)	4.56	106.36
Profit after Tax	1.67	(64.58)	102.22
Earnings per share (In ₹)	1.12	(43.51)	102.57

3. Opportunities and threats risks and concerns:

The economic slowdown affected the industry including infrastructure to a large extent. Various issues plague the infrastructure and construction industry today namely acquisition of land by governments, environmental clearance, delay in payment by government organization and higher input cost due to higher inflation. During the year, the Company faced a lot of difficulty in arranging working capital for execution of different projects to maintain the operational activity on roll.

Our business requires a substantial amount of working capital. In many cases, working capital is required to finance the purchase of materials and execution of constructions and other work on projects before payment is received from clients. In certain cases, we are contractually committed to our clients to fund working capital on our projects. Our working capital requirements may increase if, in certain contracts, payment terms do not provide for advance payments to us or if payment schedules are less favorable to us. We may need to borrow additional funds in the future to fulfill our working capital needs at higher rate of interest which may dampen the growth in profitability.

4. Strategic Initiative:

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

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

5. Outlook:

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

6. Internal control system and efficiency:

ARSS has a comprehensive system of internal controls to safeguard the Company's assets against losses from unauthorized use and ensure proper authorization 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 organization 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 utilization 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 the highest standards of Health, Safety and Environmental norms while maintaining operational integrity. This policy is strictly adhered to at all the operational sites of the Company.

The Company has an internal audit function, which is empowered to examine the adequacy and the compliance with 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.

The Company has adopted a process of Concurrent Audit in terms of the guideline issued by the Corporate Debt Restructuring Empowered Group after implementation of the Corporate Debt Restructuring proposal. The Company routinely the check the procedural compliances with predetermined standards and report the deviations to the bank as well as to the management of the Company on a monthly basis. The management duly take note of the references made by the Concurrent Auditors with due consultation with the Board of Director and mainly the Independent Directors. This has added feather on the cap of the Management Discussions and Analysis by having the views of an independent Auditors without having interest in the Company.

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. Labor relations at all work sides and at the headquarters of the Company continued to remain cordial throughout the year. There was no industrial dispute during the year under review.

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: Bhubaneswar
Dated: The 30th day of April, 2014

(Subash Agarwal)
Chairman

INDEPENDENT AUDITOR'S REPORT

To

The Members of ARSS Infrastructure Projects Limited

Report on the Financial Statements

We have audited the accompanying financial statements of ARSS Infrastructure Projects Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

- a) In absence of working papers on physical verification of inventories, discrepancies, if any, between book and physical inventories could not be ascertained including effect of the same in the financial statements of the company.
- b) Interest on delayed deposit of statutory dues excluding TDS has not been provided for, which has neither been quantified nor the effect of the same on the financial statements has been ascertained.
- c) No provision has been made against performance bank guarantees invoked amounting to ₹89.83 Crores against the company and disputed by it.
- d) No provision has been made against claims recoverable amounting to ₹ 734.44 Crores disputed by the parties and referred for arbitration.
- e) Revenue includes ₹ 292.44 Crores against claims raised on different parties, which has neither been acknowledged nor recoverability of which is ascertainable.
- f) The Company has not given effect to the loss of Fixed Assets in fire with a gross value of ₹ 3.78 Crores resulting charging of higher depreciation by ₹ 0.67 Crores and reduction in profit by the same amount . The gross value of fixed assets has remained higher by ₹ 3.78 crores.
- g) In absence of relevant records, Contract-wise surplus/loss has neither been ascertained nor recognized in compliance with the requirements of para 34 and 35 of AS-7 "Construction Contracts" issued by the Institute of Chartered Accountants of India.
- h) In absence of details of potential equity shares, diluted earning per share has not been ascertained in compliance with AS-20- "Earning per Share" issued by the Institute of Chartered Accountants of India.

- i) Cost of leasehold Land has not been amortized which is not in conformity with AS-19- "Accounting for Leases" issued by the Institute of Chartered Accountants of India. Amount of amortisation not ascertained.
- j) Interest amounting to ₹ 3.18 Crores on inter corporate deposits received has not been charged to Profit & Loss Account resulting in overstatement of profit to that extent.
- k) In the absence of accounts of ARSS Balajee JV, HCIL-Adhikarya-ARSS JV, HCIL-ARSSPL JV, HCIL-ARSS-Kalindee JV, ARSS-MVPL JV and HCIL-ARSSPL-Triveni JV, discrepancies, if any, between the said accounts with that of the Company is not ascertainable.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.;
 - d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Act.
 - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

(CA. B. N. Dash)
Partner

M. No. 062142

Bhubaneswar
The 30th day of April, 2014

Annexure referred to in Paragraph 3 of our report of even date

[Re : ARSS Infrastructure Projects Ltd. ("the Company")]

i) In respect of its Fixed Assets

- a) The company has maintained fixed assets register which, however is not complete.
- b) In absence of the working papers of physical verification, methodology adopted by the Company for the verification of the Fixed Assets could not be ascertained.
- c) According to the information and explanation provided to us , 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.

ii) In respect of its Inventories

- a) As explained to us, inventories have been physically verified by the management. However, in absence of working papers of physical verification, we are unable to comment on the adequacy of frequency of such verification / estimation.
 - b) According to information and explanations provided to us, inventories at different sites have been visually quantified and the value estimated by respective site in charge. However, in absence of working papers as mentioned above, we are unable to comment on the correctness of the procedure of physical verification of inventories followed by the management.
 - c) In absence of working papers for the physical verification of inventories conducted by the management, we are unable to comment on the discrepancies between physical stock and book records, if any and adjustment there of in the books of accounts.
- iii)
- a) According to the information and explanations provided 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 was ₹ 7.65 lacs and the balance at the end of the year is ₹ 7.65 lacs.
 - b) In our opinion and according to the information and explanations provided to us, the aforesaid loan is interest free 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 said interest free loan is repayable on demand and there is no repayment schedule.
 - d) The company had taken loan from eleven parties covered in the register maintained U/s 301 of the Act. The maximum amount involved during the year was ₹ 5,055.79 lacs and the balance at the end of the year is ₹ 5,005.79 lacs.
 - e) In our opinion and according to the information and explanations provided to us, the aforesaid loans are interest free 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 said interest free loans are repayable on demand and there is no repayment schedule.
- iv) In our opinion and according to the information and explanations provided 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 for 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.

- v) a) According to the information & explanation provided to us, we are of the opinion that the particulars of the contracts or arrangements that need to be entered in to the register, maintained U/s 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to the information and explanations provided to us, the transactions (excluding loans reported under paragraph iii above) exceeding the value of ₹ 5 lacs in respect of any party during the year have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time, where such market prices are available.
- vi) In our opinion and according to the information and explanations provided 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.
- vii) In our opinion and according to the information and explanation provided to us the internal audit system adopted by the company and reviewed by the audit committee can be considered as adequate.
- viii) According to the information and explanations provided to us, the Central Government has prescribed the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956, which however has not been maintained.
- ix) a) According to the information and explanations provided to us and on the basis of examination of the records, the company is not generally regular in deposit of undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, and Service Tax and there is serious delays in large number of cases.
- b) According to the information and explanation provided to us, in our opinion, no undisputed amount payable in respect of the aforesaid dues were outstanding as at 31st March,2014 for a period of more than six months from the date they became payable except Entry tax amounting to ₹ 104.59 lacs and TDS amounting to ₹ 159.82 lacs.
- c) According to the information & explanation provided to us the following dues demanded by the relevant authorities have not been deposited on account of pending disputes.

Forum where disputes are Pending	Period to which the dispute relates	Amount of demand (₹ in lacs)
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 & 2010-11	18.70
3. Orissa Entry Tax Act		
Joint Commissioner of Commercial Taxes	2005-06 to 2006-07	24.60
Commissioner of Commercial Taxes	2005-06 to 2006-07	9.84
4. Central sales Tax Act		
Commissioner of Commercial Taxes	2008-09 to 2010-11	892.61
5. Income Tax Act, 1961		
ITAT	2004-05 to 2010-11	5,469.84
CIT (A)	2010-11 to 2012-13	13.28
6. Andhra Pradesh VAT Act		
Appellate Deputy Commissioner(CT)	2008-09 to 2010-11	28.63

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

- xi) As at the Balance sheet date, Interest and principal amounting to ₹ 2369.11 Lacs due to the financial institutions and banks have not been paid by the company.
- xii) According to the information and explanations provided 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.
- xiii) In our opinion, the company is not a chit fund or nidhi/mutual benefit fund/society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
- xiv) As explained to us and on the basis of information provided to us, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the order are not applicable to the Company.
- xv) According to the information and explanations provided to us , the company has extended guarantee to the following parties covered under register maintained under section 301 in respect of loan taken by them and the terms and conditions of such guarantees are not prima facie prejudicial to the interest of the company.
- a) M/s Anil Contractors Pvt Ltd : ₹ 2.80 Crores
- b) M/s ARSS Damoh Hirapur Tolls Pvt Ltd : ₹ 87.00 Crores
- According to the information and explanations provided to us, loan availed by M/s ARSS Damoh Hirapur Tolls Pvt. Ltd, has been classified as NPA by its bankers on 31.03.2014, and there is a possibility of devolvement of the said liability against the company.
- xvi) In our opinion and according to the information and explanations provided to us, the term loans have been applied for the purpose for which they were obtained.
- xvii) According to the information and explanations provided to us and on an overall examination of the books of accounts of the company, we are of the opinion that no funds raised on short-term basis have been utilized for long term investment.
- xviii) According to the information and explanations provided 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. Accordingly, the provisions of clause (xviii) of paragraph 4 of the order are not applicable to the Company.
- xix) During the period covered by our audit report, the Company has not issued any debentures. Accordingly, the provisions of clause (xix) of paragraph 4 of the order are not applicable to the Company.
- xx) The Company has not raised any monies by way of public issues during the year. Accordingly, the provisions of clause (xx) of paragraph 4 of the order are not applicable to the company.
- xxi) To the best of our knowledge and belief and according to the information and explanation provided to us, no material fraud on or by the company during the year noticed or reported, nor have we been informed of such case by the management.

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

(CA. B. N. Dash)
Partner
M. No. 062142

Bhubaneswar
The 30th day of April, 2014

Balance Sheet as at

	Notes	31.03.2014 ₹	31.03.2013 ₹
EQUITY AND LIABILITIES			
I Shareholders' Funds			
a	1	298,432,300	298,432,300
b	2	3,410,349,527	3,393,667,809
		3,708,781,827	3,692,100,109
II Non-Current Liabilities			
a	3	7,335,630,861	8,132,821,860
b	4	314,301,950	319,606,960
		7,649,932,811	8,452,428,820
III Current Liabilities			
a	5	7,218,725,896	5,282,535,958
b	6	1,105,112,640	865,400,132
c	7	2,861,146,563	2,308,824,099
d	8	3,016,992	-
		11,188,002,090	8,456,760,189
TOTAL		22,546,716,727	20,601,289,115
ASSETS			
IV Non-current Assets			
a			
i	9	3,359,321,940	3,914,402,299
b	10	443,399,093	431,164,080
c	11	4,547,511,299	128,040,096
		8,350,232,332	4,473,606,475
V Current Assets			
a	12	5,806,012,992	6,623,929,714
b	13	2,367,874,199	2,330,972,896
c	14	764,860,259	946,936,448
d	15	5,257,736,945	6,208,663,557
e	16	-	17,180,026
		14,196,484,395	16,127,682,641
TOTAL		22,546,716,727	20,601,289,115
VI Significant Accounting Policies	A		
VII Notes on Financial Statements	B		

As per our report of even date

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

For and on behalf of the Board of Directors

(CA. B. N. Dash)
Partner
M. No. 62142(Rajesh Agarwal)
Mg. Director(S.K. Pattanaik)
Director Finance(Sushanta Pradhan)
Company SecretaryBhubaneswar
The 30th day of April, 2014

Statement of Profit and Loss for the Period ended on

	Notes	31.03.2014 ₹	31.03.2013 ₹
I Income			
a Revenue from operations	17	9,014,186,748	7,709,833,487
b Other Income	18	69,170,726	95,181,256
Total revenue (I)		9,083,357,474	7,805,014,743
II Expenses			
a Cost of raw material and components consumed	19	1,849,293,031	2,279,264,818
b (increase)/decrease in inventories of finished goods, work-in-progress and traded goods	20	756,469,753	636,298,652
c Employee benefits expense	21	265,486,955	376,789,482
d Depreciation and amortization expense	22	349,545,933	356,047,494
e Finance Cost	23	1,631,085,644	1,338,198,553
f Other expense	24	4,217,082,457	3,418,674,039
Total (II)		9,068,963,773	8,405,273,039
III Profit/(loss) before tax		14,393,701	(600,258,295)
Tax expenses			
Current tax		3,016,992	-
Deferred tax		(5,305,010)	45,607,140
Total tax expenses		(2,288,018)	45,607,140
IV Profit/(loss) for the year from continuing operations		16,681,720	(645,865,435)
V Earnings per equity share	24		
Basic		1.12	(43.51)
Computed on the basis of profit from continuing operations			
VI Significant Accounting Policies	A		
VII Notes on Financial Statements	B		

As per our report of even date

For P. A. & Associates

Chartered Accountants
(Firm Regn. No. 313085E)

For and on behalf of the Board of Directors

(CA. B. N. Dash)
Partner
M. No. 62142

(Rajesh Agarwal)
Mg. Director

(S.K. Pattanaik)
Director Finance

(Sushanta Pradhan)
Company Secretary

Bhubaneswar
The 30th day of April, 2014

Cash Flow Statement for the year ended on 31st March

	2014 (₹)	2013 (₹)
Cash flow from operating activities		
Profit before tax from continuing operations	14,393,701	(600,258,295)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/amortization on continuing operation	349,545,933	356,047,494
Depreciation/amortization on sold Assets	(56,375,910)	(6,023,608)
Preliminary Expenses Written off	17,180,026	17,220,024
Loss/(profit) on sale of fixed assets	77,376,371	5,916,440
Interest expense	1,631,085,644	1,338,198,553
Operating profit before working capital changes	2,033,205,765	1,111,100,608
Movements in working capital:		
Increase/(decrease) in short-term Borrowings	1,936,189,938	(401,460,455)
Increase/(decrease) in Trade payables	239,712,508	-
Increase/(decrease) in other current liabilities	552,322,464	(1,168,111,154)
Increase/(decrease) in other long-term liabilities	(797,190,999)	3,701,245,430
Decrease/(increase) in trade receivables	(36,901,303)	(2,617,511,888)
Decrease/(increase) in inventories	817,916,722	940,502,598
Decrease/(increase) in short-term loans and advances	950,926,612	(391,225,493)
Decrease/(increase) in Long-term loans and advances	(4,419,471,203)	-
Cash generated from / (used in) operations	1,276,710,503	1,174,539,646
Direct taxes paid (net of refunds)	-	-
Net cash flow from/(used in) operating activities (A)	1,276,710,503	1,174,539,646
Cash flows from investing activities		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(4,921,028)	(8,939,831)
Proceeds from sale of fixed assets	189,454,993	26,444,877
Proceeds of non-current investments	(12,235,013)	(22,347,016)
Net cash flow from/(used in) investing activities (B)	172,298,952	(4,841,970)
Cash flows from financing activities		
Procees from Share Capital	-	150,000,000
Interest paid	(1,631,085,644)	(1,338,198,553)
Net cash flow from /(used in) in financing activities	(1,631,085,644)	(1,188,198,553)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(182,076,188)	(18,500,879)
Cash and cash equivalents at the beginning of the year	946,936,448	965,437,327
Cash and cash equivalents at the end of the year	764,860,259	946,936,448
Components of cash and cash equivalents		
Cash on hand	2,820,330	3,539,951
Cheques / draft on hand	-	-
With banks on current account	47,429,416	19,688,511
on deposit account	714,610,513	923,707,986
Total cash and cash equivalents	764,860,259	946,936,448

As per our report of even date

For P. A. & Associates

Chartered Accountants

(Firm Regn. No. 313085E)

(CA. B. N. Dash)

Partner

M. No. 62142

Bhubaneswar

The 30th day of April,2014

(Rajesh Agarwal)

Mg. Director

(S.K. Pattanaik)

Director Finance

(Sushanta Pradhan)

Company Secretary

A. SIGNIFICANT ACCOUNTING POLICIES.

1. Corporate Information

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

2. Basis of Preparation

The financial statements are prepared on an accrual basis and under the historical cost convention in accordance with generally accepted accounting principles in India [Indian GAAP]. The Company has prepared these financial statements to comply in all material respects with the accounting standards issued by the Institute of Chartered Accountants of India, as applicable and notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956.

The accounting policies adopted in the preparation of financials statements are consistent with those of previous year.

3. Summary of Significant Accounting Policies

a. Use of Estimates

In preparing the financial statements in conformity with accounting principles generally accepted in India, Management is required to make estimates and assumption that affect the reported amounts of assets and liabilities as at the date of the financial statements and the amounts of revenue and expenses during the reported period. Actual results could differ from those estimates. Any revision to such estimates is recognized in the period the same is determined.

b. Tangible Fixed Assets

Tangible assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which take a substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

c. Depreciation on Tangible Fixed Assets

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.

d. Intangible Fixed assets and amortization

Intangible assets having finite useful lives are measured cost and amortised over their expected useful lives.

e. Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognized where the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessment of the time value of money and risks specific to the asset.

f. Leases

i) Finance Lease

Assets taken on lease are capitalized at their value/ NPV/ contracted price.

Depreciation on the same is charged at the rate applicable to similar type of fixed assets as per Accounting Policy on ' Depreciation'. If the lease assets are returnable to the lessor on expiry of lease period, the same is depreciated over its useful life or lease period, whichever is shorter.

Lease payments made are apportioned between fiancé charges and reduction of outstanding liability in relation to assets taken on lease.

ii) Operating Lease

Lease payments made for assets taken on operating lease are recognized as expense over the lease period.

g. Borrowing Costs

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

h. Investments

Long term investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary. Current investments are carried at cost or quoted / fair value whichever is lower. Unquoted current investments are carried at cost.

Any reduction in the carrying amount and any reversals of such reductions are charged or credited to the statement of Profit and Loss.

i. Accounting for Joint Ventures Contracts

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

j. Inventories**i. Raw Materials, Stores & Spares and Finished Goods**

Inventories of raw materials, construction materials and Finished Goods are measured at lower of cost and net realizable value after providing for obsolescence if any. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including overheads incurred in bringing them to their respective present location and conditions. Cost of Raw Materials and Finished Goods is determined on weighted average basis.

ii. Work in Progress

The Work In Progress is valued on the basis of percentage of completion contract method as per AS-7 on 'Construction contracts' issued by ICAI. Work in Progress includes material cost, appropriate share of labour and other overheads to the extent of completion of work.

k. Revenue Recognition**1. Construction Contracts:**

- i. Revenue recognition and Valuation of Contract WIP are as per the Accounting Standard -7 (AS 7).
- ii. Revenue is recognized on the basis of agreed price between the client and the Company for various items of work done.
- iii. Stage / Percentage of completion is determined with reference to the Certificates given by the clients / management as well as on the billing schedule agreed with them, for the value of work done during the year.
- iv. Valuation of Contract WIP:
At Realizable Sale Value on Percentage Completion method in respect of contracts where the outcome of the contract can be estimated reliably. Where the outcome cannot be estimated reliably, no profit is being recognized. Expected losses on contracts are assessed periodically and recognized immediately.
- v. Cost incurred is recognized in the accounts for the items of work done in the year of recognition of revenues.
- vi. Expenditure incurred on items used at construction sites, viz. construction aids, scaffolding materials, temporary structures, are charged off to the revenue at the end of each financial year on the basis of both physical count and their ascertainment of balance useful life..

2. Profit or Loss on Contracts executed by Joint ventures under profit sharing arrangements (being jointly controlled entities, in terms of Accounting Standards 27, "Financial reporting of Interests in joint ventures"), is accounted as and when the same is determined by the joint Venture. Revenue from services rendered to such joint ventures is accounted on accrual basis. In determining this policy due weightage is given to the principle of Substance over Form.

3. Dividends on Investments are accounted on the basis of declaration of dividends on the underlying investments.
4. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

I. Taxes on Income

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

m. Employee Benefits

i) Defined contribution plans

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

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

ii) Defined benefit plan

Gratuity for employees is covered under a scheme of SBI Life Insurance and contributions in respect of such scheme are recognized in the Profit and Loss Account. The liability as at the Balance Sheet date is provided for based on the actuarial valuation, at the Balance Sheet date, carried out by an independent actuary. Actuarial gains and losses comprise experience adjustments and the effect of changes in the actuarial assumptions and are recognized immediately in the Profit and Loss account as income or expense.

iii) Short term employee benefits

Short term employee benefits including compensated absences as at the Balance Sheet date are recognized as an expense as per the Company's schemes based on the expected obligation on an undiscounted basis.

k. Contingent Liabilities and Contingent Assets

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

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

I. Earning per share :

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

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

m. Overdue Charges in Respect of Loans

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

B. Notes on financial statements**1. Share Capital**

	31.03.2014	31.03.2013
	₹	₹
Authorized shares :		
3,00,00,000 (P.Y. 2,00,00,000) equity shares of ₹10/- each	<u>300,000,000</u>	<u>200,000,000</u>
2,50,00,000 (P.Y. 1,50,00,000) Compulsorily Convertible Preference shares of ₹10/- each	<u>250,000,000</u>	<u>150,000,000</u>
Issued , Subscribed & Paid up		
Equity shares, ₹ 10/- par value 1,48,43,230 equity shares of ₹10/- each fully paid up	148,432,300	148,432,300
Compulsorily Convertible Preference shares 1,50,00,000 (P.Y. 1,50,00,000) Preference Shares of ₹10/- each fully paid up	150,000,000	150,000,000
	<u>298,432,300</u>	<u>298,432,300</u>

i. 1,00,000 equity shares out of issued, subscribed and paid up equity share capital were issued against transfer of a plot of land in favour of the company.

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

	31st March 2014		31st March 2013	
	No. of Shares	₹	No. of Shares	₹
At the beginning of the Period Issued during the period	14,843,230	148,432,300	14,843,230	148,432,300
Outstanding at the end of the period	<u>14,843,230</u>	<u>148,432,300</u>	<u>14,843,230</u>	<u>148,432,300</u>

Preference shares

	31st March 2014		31st March 2013	
	No. of Shares	₹	No. of Shares	₹
At the beginning of the Period	15,000,000	150,000,000	-	-
Issued during the period	-	-	15,000,000	150,000,000
Outstanding at the end of the period	<u>15,000,000</u>	<u>150,000,000</u>	<u>15,000,000</u>	<u>150,000,000</u>

b. Terms/right attached to equity shares

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

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

c. Terms/right attached to Compulsorily Convertible Preference shares

The preference shares issued to the promoters are in accordance with the terms and conditions of the CDR package & are compulsory convertible within 18 months from the date of allotment and do not carry any right of voting & dividend. These shares are neither transferable nor eligible for listing.

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

	31st March 2014		31st March 2013	
	No. of Shares	% Holding in the Class	No. of Shares	% Holding in the Class
Equity shares of ₹ 10/- each fully paid				
Subash agarwal	1,173,500	7.91%	1,173,500	7.91%
Mohanlal Agarwal	761,750	5.13%	761,750	5.13%
	<u>1,935,250</u>	<u>13.04%</u>	<u>1,935,250</u>	<u>13.04%</u>
Compulsorily Convertible Preference shares of ₹ 10 /- each fully paid				
Rajesh Agarwal	838,860	5.59%	838,860	5.59%
Sidhant Financial Services	12,450,000	83.00%	12,450,000	83.00%
	<u>13,288,860</u>	<u>88.59%</u>	<u>13,288,860</u>	<u>88.59%</u>

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

2. Reserves and Surplus

	31.03.2014	31.03.2013
	₹	₹
Securities Premium Account		
Balance as per last financial statements	1,473,634,700	1,473,634,700
Closing Balance	<u>1,473,634,700</u>	<u>1,473,634,700</u>
General Reserve		
Balance as per last financial statements	72,711,444	72,711,444
Closing Balance	<u>72,711,444</u>	<u>72,711,444</u>
Surplus /(deficit) in the statement of profit and loss		
Balance as per last financial statements	1,847,321,664	2,493,187,100
Profit/(Loss) for the year	16,681,720	(645,865,435)
Net surplus in the statement of profit and loss	<u>1,864,003,383</u>	<u>1,847,321,665</u>
Total Reserves and Surplus	<u>3,410,349,527</u>	<u>3,393,667,809</u>

3. Long-term borrowings

	Non-Current Portion		Current Maturities	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
	₹	₹	₹	₹
Term loans				
Rupee Loan From banks (Secured)	6,116,598,600	5,906,988,615	415,677,085	290,240,544
Rupee Loan From NBFCs (secured)	1,219,032,261	2,225,833,244	912,169,502	87,680,000
Total	<u>7,335,630,861</u>	<u>8,132,821,860</u>	<u>1,327,846,587</u>	<u>377,920,544</u>

- Rupee loan from bank carries interest @ 10 % to 10.5% p.a. The loans are repayable in quarterly instalments from 01.10.2013. The above loans are secured by way of mortgage of land and building, assets acquired out of such loan and also backed by personal guarantee of Promoters.
- Rupee loan from NBFCs Carries interest @9% to 16% p.a and are repayable in monthly instalments. The above loans are secured by way of mortgage on assets acquired out of such loan.

4. Deferred Tax liability (Net)	31.03.2014	31.03.2013
	₹	₹
Opening Balance	319,606,960	273,999,820
Addition during the year	(5,305,010)	45,607,140
	<u>314,301,950</u>	<u>319,606,960</u>
5. Short-term borrowings		
a. Secured		
Cash credit loan from banks	6,288,279,881	4,711,113,198
b. Unsecured		
Loans from Related parties	549,477,782	138,588,938
Inter-corporate deposits	353,261,637	403,261,637
Working Capital Loan from NSIC	27,706,596	29,572,185
	<u>7,218,725,896</u>	<u>5,282,535,958</u>
Cash credit from banks is secured against hypothecation of stock and book debts and are backed by personal guarantee of promoters.		
The Interest on Cash Credit Loan varies from 10% to 10.5% p.a. The Loan from NSIC carries interest @ 13.40% p.a.		
Loan from related parties is interest free. All the above loans are repayable on demand.		
6. Trade Payables		
a) Trade Creditors	1,103,039,778	860,721,098
b) Sundry Creditor for Capital goods	2,072,862	4,679,034
	<u>1,105,112,640</u>	<u>865,400,132</u>
7. Other current liabilities		
a) Current maturities of long-term borrowings	1,327,846,587	377,920,544
b) Others		
i) Creditors for Expenses	85,509,632	86,666,426
ii) Unclaimed Dividend	56,062	58,162
iii) Security Deposit	354,090,101	278,570,973
iv) Mobilisation advance	995,804,467	1,526,101,794
v) Advance for Capital Goods	25,000,000	-
vi) Statutory dues payable	72,839,714	39,506,201
	<u>1,533,299,976</u>	<u>1,930,903,555</u>
	<u>2,861,146,563</u>	<u>2,308,824,099</u>
8. Short Term Provisions		
a) Provision for Taxation	3,016,992	-
	<u>3,016,992</u>	<u>-</u>

9 Tangible assets
(Refer Note - 31)

	Land	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Computers	Total
Cost or valuation							
At 1st April 2012	74,015,265	34,696,191	4,780,213,357	15,001,663	208,325,841	29,442,435	5,141,694,752
Additions	-	-	7,323,781	1,088,061	393,589	134,400	8,939,831
Disposals	-	-	30,032,132	-	2,329,185	-	32,361,317
At 31st March 2013	74,015,265	34,696,191	4,757,505,006	16,089,724	206,390,245	29,576,835	5,118,273,266
Additions	-	-	4,740,328	-	-	180,700	4,921,028
Disposals	-	-	245,596,537	-	21,234,827	-	266,831,364
At 31st March 2014	74,015,265	34,696,191	4,516,648,797	16,089,724	185,155,418	29,757,535	4,856,362,930
Depreciation							
							-
At 1st April 2012	-	1,686,092	778,024,859	2,881,401	59,907,765	11,346,964	853,847,081
Charge for the year	-	570,660	330,091,408	998,454	19,608,330	4,778,642	356,047,494
Disposals	-	-	5,392,125	-	631,483	-	6,023,608
At 31st March 2013	-	2,256,752	1,102,724,142	3,879,855	78,884,612	16,125,606	1,203,870,967
Charge for the Period	-	570,660	324,358,718	1,018,480	18,783,179	4,814,895	349,545,933
Disposals	-	-	47,115,376	-	9,260,534	-	56,375,910
At 31st March 2014	-	2,827,412	1,379,967,484	4,898,335	88,407,257	20,940,501	1,497,040,990
Net Block							
							-
At 31st March 2013	74,015,265	32,439,439	3,654,780,864	12,209,869	127,505,633	13,451,229	3,914,402,299
At 31st March 2014	74,015,265	31,868,779	3,136,681,313	11,191,389	96,748,161	8,817,034	3,359,321,940

10. Non-current investments	31.03.2014	31.03.2013
	₹	₹
A. Trade Investments (Valued at cost unless stated otherwise)		
Unquoted Equity instruments		
a) Investment in Subsidiaries		
i) 1,47,60,000 equity shares of ₹ 10/- Each at par in ARSS Damoh-Hirapur Tolls (P) Ltd.	147,600,000	147,600,000
ii) 95,00,000 equity shares of ₹ 10/- each at par in ARSS Bus Terminal (P) Ltd.	95,000,000	95,000,000
iii) Investment in joint ventures	99,165,475	87,032,312
	<u>341,765,475</u>	<u>329,632,312</u>
b) Investment in Associates		
i) 2,50,000 equity shares of ₹ 10/- Each issued at a premium of ₹ 30/- in ARSS Developers Ltd.	100,000,000	100,000,000
ii) 4,999 equity shares of ₹ 10/- each in ARSS E to E Pvt. Ltd.	49,990	47,990
	<u>100,049,990</u>	<u>100,047,990</u>
B. Non-trade investments (valued at cost unless stated otherwise)		
a) In government and trust securities (Unquoted)		
i) 6 years National Savings Certificate deposited with sales tax dept. and other Government Authorities.	1,483,778	1,483,778
b) In other securities		
BOI AXA Mutual Fund	99,850	-
	<u>1,583,628</u>	<u>1,483,778</u>
Total	<u>443,399,093</u>	<u>431,164,080</u>
11 Long Term Loans and advances		
(unsecured Considered good)		
Share application money pending allotment	128,040,096	128,040,096
Claims Receivable	4,419,471,203	-
	<u>4,547,511,299</u>	<u>128,040,096</u>
12. Inventories (valued as per Para 3 j of Significant Accounting Policy)		
(As Certified by the management)		
Raw materials and components	335,983,457	375,183,979
Work-in-progress	3,521,778,382	4,171,677,226
Finished goods	1,910,176,869	2,016,747,778
Stores and spares	38,074,284	60,320,731
	<u>5,806,012,992</u>	<u>6,623,929,714</u>
13. Trade Receivables		
(Unsecured & considered good)		
Over Six months		
From Related Parties	440,283,741	569,487,593
From Others	1,128,910,476	1,242,070,402
Others		
From Related Parties	405,780,502	304,784,894
From Others	392,899,480	214,630,007
	<u>2,367,874,199</u>	<u>2,330,972,896</u>

14 Cash and cash equivalents	31.03.2014	31.03.2013
	₹	₹
Cash in hand	2,820,330	3,539,951
Balances with banks:		
In Current accounts	47,429,416	19,688,511
In Fixed deposits	714,610,513	923,707,986
	764,860,259	946,936,448
Fixed deposit with carrying amount of ₹ 71.46 lacs including interest accrued on the same (31.03.2013 ₹92.37 crores) are pledged against bank guarantees, security deposit and EMD		
15. Short Term Loans and advances (unsecured Considered good)		
Capital advances	8,324,428	8,283,728
Security deposit	31,409,941	32,561,085
Other loans and advances		
Prepaid expenses	57,673,043	68,149,227
Loans to employees	91,000	497,226
Balances with Statutory / Government authorities	773,876,830	643,616,220
Claims Recievable	2,924,419,265	4,419,471,203
Other Advances	1,461,942,438	1,036,084,868
	5,257,736,945	6,208,663,557
16 Other Current Assets		
Preliminary Expenses (to the extent not written off or adjusted)	-	17,180,026
	-	17,180,026
17 Revenue from operations Revenue from operations		
Sale of Services		
Contract Revenue	9,014,186,748	7,709,833,487
	9,014,186,748	7,709,833,487
18 Other income Interest income on		
Fixed Deposits	58,760,948	71,320,726
Profit from Joint Ventures	9,575,634	15,314,731
Other non-operating income	834,144	8,545,800
	69,170,726	95,181,256
19 Cost of raw material consumed		
Inventory at the beginning of the year	435,504,710	739,708,656
Add: Purchases	1,787,846,062	1,975,060,872
	2,223,350,772	2,714,769,528
Less: inventory at the end of the year	374,057,741	435,504,710
cost of raw material and components consumed	1,849,293,031	2,279,264,818
20 (Increase)/decrease in inventories Inventories at the end of the year		
Work-in-progress	3,521,778,382	4,171,677,226
Finished goods	1,910,176,869	2,016,747,778
	5,431,955,251	6,188,425,004

20 (Increase)/decrease in inventories (Contd...)	31.03.2014	31.03.2013
	₹	₹
Inventories at the beginning of the year		
Work-in-progress	4,171,677,226	4,606,247,351
Finished goods	2,016,747,778	2,218,476,305
	<u>6,188,425,004</u>	<u>6,824,723,656</u>
	<u>756,469,753</u>	<u>636,298,652</u>
21 Employee benefit expense		
Salaries, wages and bonus	251,575,044	355,915,456
Contribution to provident and other fund	11,932,021	11,496,605
Staff welfare expenses	1,979,890	9,377,421
	<u>265,486,955</u>	<u>376,789,482</u>
22 Depreciation and amortization expense		
Depreciation of tangible assets	349,545,933	356,047,494
	<u>349,545,933</u>	<u>356,047,494</u>
23 Finance costs		
Interest	1,563,985,251	1,246,288,845
Bank charges	67,100,393	91,909,708
	<u>1,631,085,644</u>	<u>1,338,198,553</u>
24 Other expenses		
Operating Expenses		
Sub-contracting expenses	2,446,786,422	1,401,780,038
Power and fuel	653,398,462	740,243,642
Freight	51,881,990	66,069,651
Repair to Plant & Machineries	232,795,399	333,365,779
Wages	228,653,193	261,438,832
Royalty	88,380,501	80,425,997
Hire Charges	46,468,004	67,118,378
	<u>3,748,363,972</u>	<u>2,950,442,317</u>
Selling & Distribution Expenses		
Advertisement Expenses	714,255	1,103,467
Tender Expenses	996,533	991,524
Service Tax	99,929,973	3,470,622
VAT	88,834,176	98,120,663
Business Promotion	870,159	4,891,665
	<u>191,345,096</u>	<u>108,577,941</u>
Establishment Expenses		
Rent	8,118,593	23,870,460
Rates & Taxes	16,276,889	22,946,983
Insurance	41,522,939	62,497,706
Repairs to Others	1,137,499	1,197,515
Travelling and conveyance	13,620,552	21,388,570
Printing and stationery	1,105,508	3,544,674
Legal and professional fees	13,956,108	52,499,962
Directors' sitting fees	864,000	1,080,000
Payment to auditor	2,921,360	2,921,360
Loss on sale of fixed assets (net)	77,376,371	5,916,440
Director's Remuneration	12,600,000	33,600,000
Miscellaneous expenses	87,873,570	128,190,111
	<u>277,373,389</u>	<u>359,653,781</u>
	<u>4,217,082,457</u>	<u>3,418,674,039</u>

25 Earnings per share (EPS)

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

Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders

Weighted Average number of equity shares used as denominator for calculating EPS

Basic Earning Per Share

Face Value per Equity Share

	31.03.2014	31.03.2013
	₹	₹
	16,681,720	(645,865,435)
	14,843,230	14,843,230
	1.12	(43.51)
	10.00	10.00

26 Segment Reporting

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

27 Gratuity and other post-employment benefit plans

Gratuity for employees is covered under a scheme of SBI Life Insurance and contribution in respect of such scheme are recognised in the profit and loss account.

28 Interest in a joint venture

The company discloses its investment in joint ventures at cost and recognises its share of profit/(loss) in the profit and loss account. The details of profit sharing ratio, investment as on 31.03.2014 and share of profit/(loss) in joint ventures are given below

Sl. No	Name of the Joint Venture	₹ In Lacs			₹ In Lacs	
		Profit %	Investment	Share of profit/(Loss)	Name	Profit %
1	ARSS-ANPR JV.	51	257,219	(20,467)	A.N.Prasad Rao	49
2	ARSS-HCIL Consortium	60	1,941,236	(2,674)	Harish Chandra India Ltd.	40
3	Niraj-ARSS JV.	60	4,138,329	(238,827)	Niraj Cement Structural Ltd.	40
4	ARSS-Atlanta JV.	51	6,228,251	1,524,528	Atlanta Ltd.	49
5	ARSS-GVR JV.	51	864,474	589,344	Gvr Infra Projects Ltd	49
6	Atlanta-ARSS JV.	49	39,955,139	10,741,374	Atlanta Ltd.	51
7	ARSS-Triveni JV.	51	4,153,417	(1,013,717)	Triveni Engicons Pvt. Ltd.	49
8	Patel-ARSS JV.	49	5,147,904	(490)	Patel Engineers Ltd.	51
9	Backbone-ARSS JV.	49	17,780,802	578,183	Backbone Enterprises Ltd.	51
10	Somdatt Builders-ARSS JV.	49	2,544,587	(40,049)	Somdatt Builders Pvt. Ltd.	51
11	ARSS-MVPL JV.	51	5,279	-	Mateshwari Vanijya Pvt. Ltd.	49
12	HCIL-ARSSPL-Triveni JV.	30	(3,423,049)	-	Harish Chandra India Ltd. Triveni Engicons Pvt. Ltd.	40 30
13	HCIL-ARSS-Kalindee JV.	30	329,854	-	Harish Chandra India Ltd. Kalindee Rail Nirman Limited	40 30
14	HCIL-Adhikariya-ARSS JV.	30	18,280,085	(448,017)	Harish Chandra India Ltd. PT Adhikariya	40 30
15	HCIL-ARSSPL JV.	49	330,500	-	Harish Chandra India Ltd.	51
16	ARSS - Balaji JV	51	631,449	-	-	49

29 Related party disclosures**Related party transactions**

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

	₹ In Lacs	
a. Sale/purchase of goods and services		
	Sale of Services	
Associated Concerns		
ARSS Developers Ltd	673.70	
Shivam Condev (P) Ltd	4,712.56	
Shivam Construction	202.02	
Joint ventures		
ARSS-ANPR JV.	48.48	
ARSS-HCIL Consortium	26.12	
Niraj-ARSS JV.	7,478.14	
ARSS-Atlanta JV.	1,521.27	
ARSS-GVR JV.	2,128.74	
Atlanta-ARSS JV.	11,276.05	
Backbone-ARSS JV.	287.64	
HCIL-Adhikariya-ARSS JV.	662.53	
	<u>23,428.95</u>	
b. Loans given and repayment thereof	31.03.2014	₹ In Lacs 31.03.2013
	₹	₹
Enterprises owned or significantly influenced by key management personnel or their relatives		
ARSS Developers Ltd	-	683.82
ARSS Steel & Power Ltd	10.02	10.00
c. Loans taken and repayment thereof		
Enterprises owned or significantly influenced by key management personnel or their relatives		
Northwest Sales & Marketing Ltd.	499.85	485.06
Sidhant Financial Services Ltd.	1,336.15	160.00
ARSS Developers Ltd	241.95	-
Rajesh Agarwal	58.50	-
Ram Dulari Agarwal	97.98	97.98
Sangita Agarwal	78.87	78.87
Sanju Agarwal	75.00	75.00
Subash agarwal	120.00	-
Sunil agarwal	150.00	-
d. Remuneration to key managerial personnel		
Subash Agarwal(Chairman)	48.00	158.00
Rajesh Agarwal(M.D.)	48.00	148.00
Sunil Agarwal (CEO)	36.00	36.00
Anil Agarwal (COO)	36.00	36.00
S.K. Pattnaik (DF)	30.00	30.00
Total		

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

30 Contingent liabilities

	Name of the Statute to which the liability relates	Amount (₹ in Lacs)
a)	Orissa sales Tax Act	106.29
b)	Orissa Entry Tax Act	34.44
c)	Central Sales Tax Act	892.60
d)	Orissa Electricity Act	47.22
e)	Corporate Guarentees to sister concerns of the Company	
	i) ARSS Damoh-Hirapur Toll Pvt Ltd.	8,700.00
	ii) Anil Contractors (P) Ltd	280.00
f)	Income Tax Act	
	i) ITAT	5,469.84
	ii) TDS (Appeal)	13.29
g)	Bank Guarentee outstanding	30,804.00
	Total	46,347.68

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

The Company has not received any intimation from suppliers regarding their status under micro, small and medium enterprises Development Act 2006 and hence disclosure if any relating to amount unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.

- 32 No provision has been made against invoking Performance Bank Guarrantee by principals ammounting to ₹ 89.83 Crores and disputed by the Company.
- 33 The Inventory of Raw Materials, Work in Progress and finished goods have been visually estimated by each site in charge and value estimated by them for the same has been considered in the accounts.
- 34 During the year, only some categories of fixed assets have been physically verified due to manpower constraint and widely spread out location of such assets besides a number of sites becoming non-active.
- 35 Interest on delayed payment of statutory dues has not been provided in the accounts
- 36 Conract wise surplus/deficit has not been prepared as the number and complexity of the contracts are very high.
- 37 Diluted earning per share has not been computed due to uncertainty over number of potential equity shares after conversion of the CCPS.
- 38 Interest on inter corporate deposits has not been charged as the same are under dispute and pending at different forums.
- 39 The Company has claimed deduction under Section 80-IA (4) of the income Tax Act, 1961 in its returns of income relating to assessment year 2006-07 to 2012-13. However, the Department contested the same on the grounds that the Company was not "developing" the infrastructure facility and disallowed the deduction for assessment years 2006-07 to 2011-12. The Company had filled appeal against the said order before the Hon'able CIT(Appeal) which were allowed. The department has filed second appeal before Hon'able Cuttack Bench of Income Tax Appellate Tribunal for these assessment years , which is currently pending.
- 40 The Cost of leasehold land has not been amortised.
41. The figures for the the previous year are regrouped / reclassified wherever necessary to make them comparable with that of Current Year.

As per our report of even date

For P. A. & Associates

Chartered Accountants
(Firm Regn. No. 313085E)

(CA. B. N. Dash)
Partner

M. No. 62142
Bhubaneswar

The 30th day of April,2014

For and on behalf of the Board of Directors

(Rajesh Agarwal)
Mg. Director

(S.K. Pattanaik)
Director Finance

(Sushanta Pradhan)
Company Secretary

NOTICE

Notice is hereby given that the 14th Annual General Meeting of the Members of ARSS INFRASTRUCTURE PROJECTS LIMITED will be held on 18th July, 2014 at the Registered Office of the Company to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and if thought fit, adopt the Audited Balance Sheet as at 31.03.2014 and the Profit and Loss Account for the year ended on that date, together with the reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Rajesh Agarwal, (Managing Director) and Mr. Soumendra Keshari Pattanaik (Director, Finance) retires by rotation and being eligible, offer themselves for re-appointment.
3. To appoint Auditors of the Company-
To appoint Statutory Auditors of the Company and to fix their remuneration and in that connection to consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:-

“**RESOLVED THAT** pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) M/s P.A. & Associates, Chartered Accountants, Bhubaneswar, (Firm Regn. No.313085E), be and are hereby reappointed as Statutory Auditors of the Company to hold office from the conclusion of this Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration to be fixed by the Board of Directors of the Company.”

SPECIAL BUSINESS:-

1. APPOINTMENT OF BIKRAM KESARI MISHRA AS NOMINEE DIRECTOR:-

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

RESOLVED THAT Mr. Bikram Kesari Mishra (DIN.06878231), Nominee of Bank of India be and is hereby appointed as a Nominee Director of the Company pursuant to covenants of CDR and also in terms of Sections 161 and other applicable provisions of the Companies Act, 2013 and the Rules made there under, with effect from 30th June, 2014 for a period of one year.”

2. FURTHER ISSUE OF SHARES TO PROMOTERS:

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

RESOLVED THAT subject to the approval of shareholders of the Company and other applicable provisions of the Companies Act, 2013, the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and the covenants of Corporate Debt Restructuring (CDR), the Board of Directors of the Company be and are hereby authorized to issue and allot such Equity Shares to Promoters and their Associates on preferential basis in terms of Section 62 of the Companies Act, 2013 and the rules made there under.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the power conferred to the Chairman, Managing Director, Director (Finance) or Company Secretary or such other officer of the Company, as may be determined by the Chairman, Managing Director, Director (Finance) or Company Secretary to give effect to the aforesaid Resolution”.

3. RELATED PARTY TRANSACTIONS: -

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

RESOLVED THAT consent of the members be and is hereby accorded to the company to enter in to following proposed related party transactions at prevailing Market rate with entities in which Directors are interested and as recommended by the Board for related transactions for day to day business of the company and which is essential for the company to carry on its business economically and thereby achieving the objective of the company and economy of scale.

SL NO.	NAME OF THE PARTY	NATURE OF TRANSACTION	PROPOSED LIMIT	NATURE OF INTEREST
Sale/purchase of goods and services				(₹ In Crores)
1	Shivam Condev (P) Ltd	Sub Contract Work	70.00	Group Company
2	Anil Contractors Private Ltd	Sub Contract Work	10.00	Group Company
Joint ventures				(₹ In Crores)
1	ARSS-ANPR JV.	Sub Contract Work	1.00	Joint Venture of the Company
2	ARSS-HCIL Consortium	Sub Contract Work	1.00	Joint Venture of the Company
3	Niraj-ARSS JV	Sub Contract Work	25.00	Joint Venture of the Company
4	ARSS-Atlanta JV.	Sub Contract Work	40.00	Joint Venture of the Company
5	ARSS-GVR JV.	Sub Contract Work	40.00	Joint Venture of the Company
6	Atlanta-ARSS JV.	Sub Contract Work	240.00	Joint Venture of the Company
7	Backbone-ARSS JV.	Sub Contract Work	2.00	Joint Venture of the Company
8	HCIL-Adhikariya-ARSS JV	Sub Contract Work	30.00	Joint Venture of the Company
Remuneration to key managerial personnel				
1	Subash Agarwal (Chairman)	Remuneration	48.00	Director
2	Rajesh Agarwal (M.D.)	Remuneration	48.00	Director
3	Sunil Agarwal (CEO)	Remuneration	36.00	Relative
4	Anil Agarwal (COO)	Remuneration	36.00	Relative
5	S.K. Pattnaik (DF)	Remuneration	30.00	Director

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorized to consider and approve each case in a duly convened Board meeting and do all necessary applicable formalities in this regard.

By Order Of the Board

For **ARSS Infrastructure Projects Limited**
(Sushanta Pradhan)
Company Secretary

Place: Bhubaneswar

Date: 30th April, 2014

NOTES:

- A Member entitled to attend and vote at the annual general meeting (the “Meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of him and the proxy need not be a member of the Company. However, proxy forms should be deposited at the registered office of the company not less than 48(Forty Eight) hours before the commencement of the meeting in order to be effective.**
- Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- Register of members and share transfer books of the Company shall remain closed for one day i.e. the 17th July, 2014(Thursday).
- An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
- Members are requested to visit the website of the Company www.arssgroup.in for viewing the quarterly, half-yearly and Annual financial results and for more information about the Company. Useful information on various services being provided to the investors is also available on the website of the Company.
- All the investor related communication may be addressed to:

Sushanta Pradhan

Company Secretary and Compliance Officer

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

Mancheswar Industrial Estate,

Bhubaneswar-751010.

E-Mail;- sushanta.pradhan@arssgroup.in

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

7. Members/proxies are requested to kindly take note 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.
8. 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.
9. 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.
10. Members are requested to notify immediately any change in their address directly to their Depository Participant in case they hold Shares in dematerialized form or to the Company's Registrar & Transfer Agents, in case they hold Shares in physical form.
11. The shareholders who are holding shares in demat form and have not yet registered their e-mail IDs, are requested to register their e-mail IDs with their Depository Participants at the earliest, to enable the Bank to use the same for serving documents to them electronically, hereinafter. Shareholders holding shares in physical mode may kindly provide their e-mail IDs to the RTA.

12. E-Voting-

Voting through electronic means

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

The instructions for e-voting are as under:

- (i) The following matter as given below will be forwarded to you shortly.
EVEN (E Voting Event Number) _____ USER ID _____
PASSWORD/PIN _____
- (ii) NSDL shall be sending the User-ID and Password, to those members whose shareholding is in the dematerialized format and whose email addresses are registered with the Company/Depository Participants(s). For members who have not registered their email address, can use the details as provided above.
- (iii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- (iv) Click on Shareholder – Login
- (v) Put user ID and password as initial password noted in step (i) above. Click Login.
- (vi) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vii) Home page of e-Voting opens. Click on e-Voting: Active Voting Cycles.
- (viii) Select "EVEN" of ARSS Infrastructure Projects Limited
- (ix) Now you are ready for e-Voting as Cast Vote page opens
- (x) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (xi) Upon confirmation, the message "Vote cast successfully" will be displayed
- (xii) Once you have voted on the resolution, you will not be allowed to modify your vote

- (xiii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail cs.bharat.das@gmail.com or response@arssgroup.in with a copy marked to evoting@nsdl.co.in.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com.
- III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. The e-voting period commences on July 14, 2014 (9:00 am) and ends on July 15, 2014 (9:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of April 10, 2014, may cast their vote electronically. The e-voting module shall also be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- VI. The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on, Friday, 20th June, 2014.
- VII. Since the Company is required to provide members facility to exercise their right to vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) Friday, 20th June, 2014.
- VIII. and not casting their vote electronically, may only cast their vote at the Annual General Meeting.
- IX. The Company has appointed Mr. Bharat Chandra Das, Practicing Company Secretary, as 'scrutinizer' (the "Scrutinizer"), for conducting the e-voting process for the Annual General Meeting in a fair and transparent manner
- X. The Scrutinizer shall within a period of not exceeding three(3) working days from the conclusion of the e-Voting period unlock the votes in the presence of atleast two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- XI. The Results shall be declared on or after the 14th Annual General Meeting of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.arssgroup.in and on the website of NSDL within two(2) days of passing of the resolutions at the 14th Annual General Meeting of the Company on 18th July, 2014 and communicated to the Stock Exchanges.

All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during office hours on all working days except Saturdays between 11.00 a.m. to 4.00 p.m. up to the date of declaration of the result of the 14th Annual General Meeting of the Company.

Explanatory Statement as required under Section 102(1) of the Companies Act, 2013 annexed to and forming part of the Notice.

Item No. 1-

APPOINTMENT OF NOMINEE DIRECTOR-

In terms of the covenants Corporate Debt Restructuring Scheme, the bankers have the power to appoint two nominee directors in the Board of the Company, one by the lead banker i.e. State Bank of India and another one from the other lenders on rotational basis for one year and accordingly, one year term of nominee of Punjab National Bank, Mr.P.K.Sharma ended and appointment of nominee of Bank of India, Mr.B.K.Mishra has been approved on 30th April,2014 to be ratified by the shareholders in the Annual General Meeting.

Your Directors recommend the Ordinary Resolution as set out in the notice for your approval.

None of the Directors is concerned or interested in the proposed resolution except to the extent of their Directorship and Shareholdings in the Company.

Item No.2-
FURTHER ISSUE OF SHARES TO PROMOTERS AND THEIR ASSOCIATES-

In terms of the conditions stipulated by Corporate Debt Restructuring Empowered Group (CDR EG), Promoters and their associates has to bring in at least ₹60.00 Crores as Promoters Contribution for augmentation of working capital and repayment of high cost outstanding debts and accordingly they have brought in ₹19.51 Crore in first tranche in the financial year 2012-13 and ₹40.51 Crores in the financial year 2013-14. In terms of Section 62 of the Companies Act, 2013 permission of shareholders through special resolution is necessary with proper disclosure as required under Section 102 of the Companies Act, 2013 read with Clause 73(1) of SEBI (ICDR Regulations), 2009.

For first tranche, the company had made an application to BSE for approval which was objected on the ground of pricing and other disclosures. Accordingly, the company has decided for fresh application for the entire amount and de novo application is being made.

Therefore, Consent of the shareholders is being sought pursuant to the provisions of the section 62 of the Companies Act 2013 and Article – 4 of the Articles of Association of the company and other applicable provisions with disclosures mentioned herein below-

Disclosures in terms of Clause 73(1) of SEBI (ICDR) 2009-

a) The object of the issue;

Infusion of capital by promoters is required for augmenting working capital requirement of the Company for execution of pending projects which will bring in the required cash flow for generation of funds. Moreover, the company plans to retire high cost debts out of this promoters contributions there by reducing interest burden.

b) The proposal of the promoters, directors or key managerial personnel of the issuer to subscribe to the offer;

Following promoters and their associates have proposed to subscribe the offer the amount as mentioned against their name-

SI No.	Name of Person	Relationship with the Promoters	Amount brought in ₹ (In Crore)
1.	Subash Agarwal	Promoter(Chairman of the Company)	1.58
2.	Rajesh Agarwal	Promoter (Managing Director)	1.39
3.	Anil Agarwal	Relative of Director	0.38
4.	Sunil Agarwal	Relative of Director	1.62
5.	Ramdulari Agarwal	Relative of Director	1.40
6.	Seema Agarwal	Relative of Director	0.15
7.	Sanju Agarwal	Relative of Director	0.90
8.	Sangita Agarwal	Relative of Director	0.94
9.	Sabita Agarwal	Relative of Director	1.65
10.	Sidhant Financial Services Limited	Group Company	25.81
11.	ARSS Developers Limited	Group Company	24.20
TOTAL			60.02

c) The shareholding pattern of the issuer before and after the preferential issue;

Shareholding Pattern (₹ 95 is calculated in terms of regulation 71 and 76 of SEBI (ICDR) regulations, 2009 as the Company is under CDR).

ARSS INFRASTRUCTURE PROJECTS LIMITED					
Allotment of Equity Share at ₹ 95/-					
SI.No	Particulars	No. Of Share		%	
		Pre-Issue		Post- Issue	
1	Promoters & Promoter Group	2,799,648	18.86%	9,118,013	43.09%
2	Others	12,043,582	81.14%	12,043,582	56.91%
TOTAL		14,843,230	100.00%	21,161,595	100.00%

- d) The time within which the preferential issue shall be completed;

The issue shall be completed within the stipulated period.

- e) The identity of the proposed allottees, the percentage of post preferential issue capital that may be held by them and change in control, if any, in the issuer consequent to the preferential issue;

Identity of proposed allottees-

Sr No.	Name of proposed allottees	Address of the proposed allottees	Permanent Account Number	% of Holding post issue
1.	Subash Agarwal	N-1/93, IRC Village, Nayapalli, Bhubaneswar-751015, Business	AATPA3716A	6.33
2.	Rajesh Agarwal	N-1/93, IRC Village, Nayapalli, Bhubaneswar-751015, Business	ACEPA5209R	2.37
3.	Anil Agarwal	N-1/93, IRC Village, Nayapalli, Bhubaneswar-751015, Business	AATPA3217B	1.56
4.	Sunil Agarwal	N-1/93, IRC Village, Nayapalli, Bhubaneswar -751015, Business	AATPA3718Q	1.12
5.	Ramdulari Agarwal	N-1/93, IRC Village, Nayapalli, Bhubaneswar -751015, Business	ACEPA5208Q	0.70
6.	Sanju Agarwal	N-1/93, IRC Village, Nayapalli, Bhubaneswar-751015, Business	ACEPA5217D	0.45
7.	Seema Agarwal	N-1/93, IRC Village, Nayapalli, Bhubaneswar-751015, Business	ACEPA5207B	0.08
8.	Sangita Agarwal	N-1/93, IRC Village, Nayapalli, Bhubaneswar-751015, Business	ACEPA5218N	0.47
9.	Sabita Agarwal	N-1/93, IRC Village, Nayapalli, Bhubaneswar-751015, Business	AEUPA5218N	0.82
10.	Sidhant Financial Services Limited	21/3,Aswini Dutta Road,Near Triangular Park, Gariahat,Kolkata, 700029,Business	AADCS9447D	12.84
11.	ARSS Developers Limited	Plot No.38, Sector A, Zone D, Mancheswar Industrial Estate, Bhubaneswar- 751010	AABCI6623P	12.03

There will be no change in control in the management after post issue.

- f) An undertaking that the issuer shall re-compute the price of the specified securities in terms of the provisions of these regulations where it is required to do so;

The company undertakes to re-compute the price of the specified securities in terms of the provisions of these regulations where it is required to do so.

- g) An undertaking that if the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked-in till the time such amount is paid by the allottees.

The company undertakes that if the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked-in till the time such amount is paid by the allottees.

Your Directors recommend the Special Resolution as set out in the notice for your approval.

None of the Directors is concerned or interested in the proposed resolution except to the extent of their Directorship and Shareholdings in the Company.

Item No.3-**RELATED PARTY TRANSACTIONS: -**

Your Company being a listed company, in terms of the provisions of the Companies Act,2013, shareholders approval is must for entering into related party transaction and as your company is in to construction business and some of the group companies are also into the construction business it is inevitable to have some transaction with them.

Your Directors recommend the Special Resolution as set out in the notice for your approval.

None of the Directors is concerned or interested in the proposed resolution except to the extent of their Directorship and Shareholdings in the Company.

By Order Of the Board
For ARSS Infrastructure Projects Limited

Place: Bhubaneswar

(Sushanta Pradhan)

Date: 30th April, 2014

Company Secretary

CIN: L14103OR2000PLC006230

Regd.Office-Plot No.38,

Sector-A,Zone –D,

Mancheswar Industrial Estate,

Bhubaneswar, 751010

Website: www.arssgroup.in

Details of Directors seeking appointment in the Annual General Meeting scheduled on dated 18th July, 2014, Pursuant to Clause 49 (IV) (G) (i) of the Listing Agreement)

Name of Director	Rajesh Agarwal	Soumendra Keshari Pattanaik
Date of Birth	12 th January, 1973	11 th September, 1970
Date of Appointment	17 th May, 2000	01 st April ,2005
Expertise in Specific Functional area	17 Years	16 Years
Qualification	B.E(Civil)	M.COM, MBA, LLB
Board Membership of other Public Limited companies as on March 31, 2014	NIL	NIL
Chairman / Member of the Committee of the Board of Directors of the Bank as on March 31, 2014	NIL	NIL
Chairman / member of the Committee of Directors of the other Companies in which he is a Director as on march 31, 2014.	1. ARSS Developers Limited 2. ARSS Steel & Power Limited 3. ARSS Cement Limited	1. ARSS Damoh- Hirapur Tolls Private Limited

ARSS INFRASTRUCTURE PROJECTS LIMITED

REGISTERED OFFICE: - PLOT NO-38, SECTOR-A ZONE-D

MANCHESWAR INDUSTRIAL ESTATE

BHUBANESWAR-751010, Odisha

ATTENDANCE SLIP

L.F. No	
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No of Shares held	
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DP ID	
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Client ID	
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I/We hereby record my/our presence at the 14th Annual General Meeting of the Company on Friday, the 18th of July, 2014 at the Registered Office of the Company.

Name of the Member _____
(IN BLOCK LETTER)

Signature of member/proxy* _____

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

ARSS INFRASTRUCTURE PROJECTS LIMITED
REGISTERED OFFICE: - PLOT NO-38, SECTOR-A ZONE-D
MANCHESWAR INDUSTRIAL ESTATE
BHUBANESWAR-751010

CIN: L14103OR2000PLC006230

PROXY FORM

ARSS INFRASTRUCTURE PROJECTS LIMITED

[Pursuant to section 105 (6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: - L14103OR2000PLC006230

Name of the Company: ARSS INFRASTRUCTURE PROJECTS LIMITED (Formerly ARSS Stone Private Ltd)

Registered Office: Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar – 751 010.

Name of the Member (s)	
Registered office	
E- Mail ID	
Folio No./ Client ID	
DP ID	

I/We being member(s) of _____, shares of the above named company, hereby appoint.

1. Name : _____

Address: _____

E-mail ID: _____

Signature : _____, or failing him/her,

2. Name : _____

Address: _____

E-mail ID: _____

Signature : _____, or failing him/her,

3. Name : _____

Address: _____

E-mail ID: _____

Signature : _____, or failing him/her, as my/our proxy to attend and vote (on a poll) for me/ us and on my / our behalf on the Fourteenth Annual General Meeting of the Company, to be held on _____ and any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No: -

1.

2.

3.



(Signed this.....day of2014)

Signature of the shareholder
(Please sign across the stamp)

Signature of Proxy Holder (s)

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



ARSS INFRASTRUCTURE PROJECTS LIMITED

REGISTERED OFFICE

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

CORPORATE OFFICE

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