



ARSS INFRASTRUCTURE PROJECTS LIMITED

**ANNUAL
REPORT
2018**

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Chairman's Letter

Dear Fellow Stakeholders,

On behalf of the Board of ARSS it is my pleasure to present the 18th Annual Report and Audited Financial Statements for the year ended 31st March, 2018. It's always a pleasure to speak with you to reflect on the performance of your Company in the year and share with you our aspiration for the future.

The standalone result for 2017-18 is as under:

- Turnover of ₹ 584.00 crores.
- EBITDA is ₹ (17.60) crores.
- PAT (loss) is ₹ (54.77) crores.
- EPS (basic) is ₹ (24.09).

Between the current economic factors impacting the construction landscape and the continuing advances in tools, materials and technologies, 2018 promises to be a very interesting year for the construction industry. The Indian economy grew at 6.7 percent in FY 2017-18. In the fourth quarter (January-March) the GDP grew at 7.7 percent, supported by strong performance in construction, manufacturing and public services. From the adverse impacts of demonetization and GST implementation, the growth steadily recovered to 6.3%, 7.0% and 7.7% in the second, third and fourth quarters of FY 2017-18, respectively. This sharp recovery is based entirely on domestic factors as the contribution of net export growth to GDP has been zero or negative since the third quarter of FY 2017-18. From the demand side, government consumption and overall investment demand supported growth, particularly in the fourth quarter of FY 2017-18.

The Infrastructure sector is a key driver of the Indian economy. During FY 2017-18, there has been a significant push for this sector by the Government of India. Allocation for infrastructure has been increased by 20%, to ₹ 5.97 lakh crore, with a focus on roads and highways, railways, urban development and airports, giving a boost to the sector and ensuring continued funding of various initiatives in roads, railways and urban infrastructure. In roads, capital expenditure of ₹ 1.22 lakh crore has been earmarked for expansion of National Highways. Connectivity with the interior, backward and India's border areas is being sought to be achieved under the ambitious Bharatmala Pariyojana programme which has been and develop around 35,000 km of roads in Phase-I at an estimated cost of INR 5,35,000 crore. Around 9,000 km of National Highways are being completed in 2017-18. For railways, capital expenditure of ₹ 1.49 lakh crore has been earmarked for doubling of tracks, gauge conversions, track renewals and additional rolling stock. In addition, ₹ 16,800 crore has been allotted for metro rail projects. If implemented, these will create large opportunities in the Construction sector in India.

Another major policy initiative was powering the power sector. Electrification of villages has been given a huge thrust during the year with the launch of the Saubhagya Scheme to electrify all households—to provide electricity for 40 million households before March 2019. Commercial real estate picked up in FY 2017-18 and it is expected to continue in FY 2018-19 which in turn along with smart cities and increased construction of public utility building by central and state governments will give a boost for the building construction sector. The emerging strategic environment is favourable and more predictable for the company. I take this opportunity to thank our Team, customers, shareholders, suppliers, banks, Central and State Government agencies for their continued support.

Though government sector clients still hold back on payments and on making good cost overruns that have occurred for no fault of the contractors, there has been some improvement thanks to a few key initiatives taken by the current NDA government. Let me briefly outline two of these.

- The new Arbitration and Conciliation (Amendment) Act, 2015, which facilitates faster and time bound decision making in arbitration.
- Where public sector undertakings (PSUs) or government departments have challenged any arbitration award that has gone in favour of a contractor, 75% of the award amount to be paid to the contractor or concessionaire against a margin free bank guarantee.

Furthermore, the decision making process of some banks has slowed down for fear of consequences and despite their best intentions to expedite them. Many rules, regulations and laws intended for creating a predictable environment for business and meant to be prospective in nature when brought in at a time of stress, in practice become retrospective in effect and intensify the stress and unpredictability of doing business.

The government must take note that the economy needs serious attention and act to speed up the reforming of administrative processes of decision making. Only this will help the country return to virtuous cycle of investment and growth.

Our Board processes, from the activities of the board committee's right through to the regular functioning of the Board itself, were externally reviewed during the year and I am confident that they deliver the highest levels of corporate governance. Though there are opportunities galore, we need to be very cautious of the present volatile and uncertain environment and need to make very cautious decisions which add value to all the stakeholders.

I would like to place on record my sincere gratitude to you, our valued shareholders for having given me this privilege. I would also like to place on record my deepest appreciation of the tireless efforts of all my colleagues, past and present who have travelled with me in this journey, lending their shoulder to build this great organization. I draw solace that with team of professionals in our group, our shared aspiration is surely within reach. Here, I would like to express my special gratitude to all the employees I am really thankful for their cooperation and support.

Before I conclude, I would like to extend my thanks to Customers, vendors and suppliers, Central and State Governments, Regulatory Authorities, investors, bankers and financial institutions for their continued faith and trust, without whom our continued growth momentum would not have been possible. I would also like to thank my fellow Board members for their unstinted support and encouragement and helping me in creating good governance culture across the organization and fulfilling the responsibilities of Board. I would like to place on record the sincerity, hard work, commitment and dedication of the entire Team of ARSS. I seek your continued support in making the Company more sustainable and resilient to external challenges.

With warm and very best regards,

Yours

Subash Agarwal

Chairman

Company Information

Board of Directors

Chairman

Mr. Subash Agarwal (Executive Director)

Managing Director

Mr. Rajesh Agarwal (Executive Director)

Independent Non-Executive Directors

Mr. Swarup Chandra Parija

Mrs. Janhabi Deo (Women Director)

Mr. Pareswar Panda

Nominee Director

Mr. Krishna Chandra Raut (State Bank of India)

Senior Executives

Mr. Sunil Agarwal- President & CEO

Mr. Anil Agarwal- Sr. VP & COO

Mr. S. K. Pattanaik- CFO

Company Secretary & Compliance Officer

Ms. Alka Khemka

Registered Office

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

Mancheswar Industrial Estate,

Bhubaneswar-751 010, Odisha, India

Phone - 91 674 258 8552 – 4

Fax - 91 674 258 5074

Email – cs@arssgroup.in,

Web site - www.arssgroup.in

Corporate Office

ARSS Mall, Plot No-40,

Community Centre, Block-A,

Paschim Vihar

Opposite to Jwalaheri Market,

New Delhi – 110063

Phone – 91 11 48 63 6363

Fax - 91 11 48 63 6339

E-mail - delhi@arssgroup.in

Registrar and Share Transfer Agents

Bigshare Services Private Limited

1st Floor, Bharat Tin Works Building,

Opp. Vasant Oasis, Makwana Road,

Marol, Andheri East, Mumbai – 400059, Maharashtra

Tel: + 91 22-62638261

Fax: + 91 22-62638299

e-mail: marketing@bigshareonline.com,

investor@bigshareonline.com

Website: www.bigshareonline.com

Board Committees

Audit Committee

(1) Mr. Swarup Chandra Parija

Independent Director-Chairman of the Committee

(2) Mrs. Janhabi Deo

Independent Director- Member

(3) Mr. Krishna Chandra Raut

Nominee Director- Member

Stakeholders Relationship Committee

(1) Mr. Swarup Chandra Parija,

Independent Director- Chairman of the Committee

(2) Mr. Krishna Chandra Raut

Nominee Director- Member

(3) Mr. Pareswar Panda

Independent Director- Member

Nomination and Remuneration Committee

(1) Mr. Swarup Chandra Parija,

Independent Director- Chairman of the Committee

(2) Mr. Krishna Chandra Raut

Nominee Director- Member

(3) Mr. Pareswar Panda

Independent Director- Member

Corporate Social Responsibility Committee

(1) Mr. Rajesh Agarwal

Executive Director- Chairman of the Committee

(2) Mr. Swarup Chandra Parija

Independent Director- Member

(3) Mr. Pareswar Panda

Independent Director- Member

Statutory Auditors

M/s Ajay B Garg

Chartered Accountants,

517-518, Shreekant Chambers,

V. N. Purav Marg, Chembur,

Mumbai- 400 071,

Tel:- 022 6797 8001,

Fax:- 022 6797 8002

E-mail:-agarg@ajaygarg.com

Bankers

State Bank of India

Bank of India

ICICI Bank Ltd.

IDBI Bank Ltd.

Punjab National Bank

Directors' Report

To,
The Members of
ARSS Infrastructure Projects Limited

Your Directors have pleasure in presenting before you the 18th Annual Report of the Company together with Audited Statements of Accounts for the Financial Year ended 31st March, 2018:

1. Financial Position & Performance:

A. ARSS Infrastructure Projects Limited (As per IND AS)

The performance during the period ended 31st March, 2018 has been as under (Standalone):

(₹ In Crores)

Particulars	2017-18	2016-17
Sales	584.34	836.65
Profit before Depreciation, Interest and Tax	(17.59)	(226.77)
Less : Depreciation	23.94	32.63
Interest	37.24	76.99
Profit Before Tax	(78.77)	(336.39)
Less : Tax Expenses		
a) Current Year	-	-
b) Earlier Year	5.95	0.20
c) Deferred Tax	(29.95)	(4.98)
Profit/Loss After Tax	(54.77)	(331.61)
Balance brought forward from previous year	(132.47)	199.14
Amount Available for Appropriation	(187.27)	(132.47)
Appropriations		
a) Dividend	-	-
b) Tax on Dividend	-	-
c) Transfer to General Reserve	-	-
Balance Carried to Balance Sheet	(187.27)	(132.47)
Earnings per Share (In ₹) (Weighted) Basic (Equity Shares of face value of ₹ 10/- each)	(27.51)	(223.46)
Earnings per Share (In ₹) (Weighted) Diluted (Equity Shares of face value of ₹ 10/- each)	(27.51)	(145.84)

B. Subsidiary/ Associate & Joint Venture Company

(₹ In Crores)

Particulars	ARSS Damoh Hirapur Tolls Pvt. Ltd.		ARSS Developers Limited	
	2017-18	2016-17	2017-18	2016-17
Sales	-	-	0.10	0.69
Profit before Depreciation, Interest and Tax	-	-	-0.45	0.06
Less : Depreciation	-	-	0.28	0.28
Interest	-	-	6.31	3.79
Profit Before Tax	-	-	-7.04	-4.01
Less : Tax Expenses				
a) Current Year	-	-	-	-
b) Earlier Year	-	-	-	-
c) Deferred Tax	-	-	-0.03	-0.05
Profit/Loss After Tax	-	-	-7.07	-4.06
Balance brought forward from previous year	-	-	-19.17	-15.11
Amount Available for Appropriation	-	-	-	-
Appropriations				
a) Dividend	-	-	-	-
b) Tax on Dividend	-	-	-	-
c) Transfer to General Reserve	-	-	-	-
Balance Carried to Balance Sheet	-	-	-26.24	-19.17
Earnings per Share (In ₹) (Weighted) Basic (Equity Shares of face value of ₹ 10/- each)	-	-	-10.86	-6.29
Earnings per Share (In ₹) (Weighted) Diluted (Equity Shares of face value of ₹ 10/- each)	-	-	-10.86	-6.29

2. Dividend

Your Directors have not recommended any dividend for the financial year ended March 31, 2018.

3. Operating Result :

The turnover of the Company in the year is ₹ 584.34 crores as compared to ₹ 836.65 crores in the previous financial year. The profit before tax is ₹ (78.77) crores as compared to ₹ (336.39) crores for the previous financial year.

4. Details of Subsidiary, Joint Venture or Associates**A. Details of Subsidiary and Associate Companies**

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

Sl. No.	Name of the Company	Address of the Company	CIN/GLN/ PAN	Holding / Subsidiary / Associate	% of shares held/ share in JV	Applicable Section
1	ARSS Damoh-Hirapur Tolls Private limited	Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar- 751010	U45201OR2011PTC013524	Subsidiary Company	99.82 %	2 (87)
2	ARSS Developers Limited	Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar- 751010	U45209OR2007PLC009201	Associate Company	38.41%	2 (6)

B. Joint Venture (AOP)

Sl. No.	Name of the Company	Address of the Company	CIN/GLN/ PAN	Holding /Subsidiary / Associate	% of shares held/ share in JV
1	NIRAJ-ARSS JV.	Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar- 751010	AAAAN5116B	Joint Venture	40.00%
2	ARSS-ATLANTA JV.	Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar- 751010	AAQFA8726P	Joint Venture	51.00%
3	ATLANTA-ARSS JV	Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar- 751010	AABAA0048E	Joint Venture	49.00%
4	ARSS-HCIL CONSORTIUM	Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar- 751010	AAOFA4560D	Joint Venture	60.00%
5	ARSS-TRIVENI JV	Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar- 751010	AABAA1081H	Joint Venture	51.00%
6	PATEL-ARSS JV	Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar- 751010	AAAAP8266E	Joint Venture	49.00%
7	BACKBONE-ARSS JV.	Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar- 751010	AAAAB7056Q	Joint Venture	49.00%
8	SOMDATT BUILDERS-ARSS JV	Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar- 751010	AADAS6434L	Joint Venture	49.00%
9	ARSS-ANPR JV	Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar- 751010	AABAA1158M	Joint Venture	51.00%
10	HCIL-ADHIKARYA-ARSS JV	Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar- 751010	AAEFH3757R	Joint Venture	30.00%
11	ARSS GVR JV	Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar- 751010	AACAA1049A	Joint Venture	51.00%
12	HCIL-ARSSSPL-TRIVENI JV	113-A, Kamala Nagar, Delhi-110007	AADFH8758B	Joint Venture	30.00%
13	HCIL-KALINDEE-ARSS JV	113-A, Kamala Nagar, Delhi-110007	AAEFH1678M	Joint Venture	30.00%

Sl. No.	Name of the Company	Address of the Company	CIN/GLN/ PAN	Holding /Subsidiary / Associate	% of shares held/ share in JV
14	ARSS - SIPS (JV)	129, Transport Centre, Rohtak Road, Punjabi Bagh, New Delhi – 110 035	AAEAA3620K	Joint Venture	51.00%
15	ARSS - SCPL (JV)	Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar- 751010	AAEAA3621J	Joint Venture	51.00%
16	ARSS - BMS (JV)	Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar- 751010	AAEAA4835G	Joint Venture	51.00%

During the year under review the following joint ventures were closed:

Sl. No.	Name of the Company	Address of the Company	CIN/GLN/ PAN	Holding / Subsidiary / Associate	% of shares held/ share in JV
1	HARISH CHANDRA-ARSSSPL JV	Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar- 751010	AAAAH1493H	Joint Venture	49.00%
2	ARSS-MVPL JV	Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar- 751010	AABAA1497P	Joint Venture	51.00%
3	ARSS-BALAJI JV	At / P.O : Belpahar R.S., Belpahar	AABAB1071G	Joint Venture	30.00%

5. Consolidated Financial Statements:

Consolidated financial statements (consolidating financials of ARSS Damoh - Hirapur Tolls Private Limited being its subsidiary company and of ARSS Developers Limited being its associate company) in terms of Section 129 (3) of the Companies Act, 2013 read with rule 6 of Companies (Accounts) Rules, 2014 and under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "SEBI Listing Regulations") and as per requirements of Indian Accounting Standards ('IND-AS') under Companies Act, 2013 on accounting and disclosure requirements, the Audited Consolidated Financial Statements are provided in this Annual Report.

Pursuant to the Section 129 (3) of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014, a statement containing the salient features of the financials statements of each of the subsidiary and associate company in the prescribed form AOC-1 is annexed to this annual report.

Pursuant to the Section 136 of the Companies Act, 2013 financial statements of subsidiary/ associate companies are kept for inspection by the shareholders at the Registered Office of the Company. The said financial statements of the subsidiaries are also available on the website of the Company www.arssgroup.in under the Investors Section.

6. Reserve

No amount was proposed to be transferred to general reserve.

7. Operations- Work Orders

Your Directors are pleased to inform that during the year under report, the Company (alongwith it's JVs) has secured the following contracts (work order):

- Package- 1 Execution of balance works for construction of major bridges (excluding the work of bridge superstructures of steel open web and composite girders) of bridge no. 326 (3x30.5m open web steel girder), 341 (3x30.5m composite

steel girder welded type), 348 (7x30.5m open web steel girder), 352 (3x12.2m PSC), 355 (5x30.5m open web steel girder), 367 (6x30.5m composite steel girder welded type) and 390 (10x30.5m open web steel girder) in connection with doubling between Jaroli (incl.) and Jakhapura (incl.) (170.903 km) on Khurda road division of east coast railway in the state of Odisha, India.” is awarded in favour one of our Company ARSS Infrastructure Projects Limited by Rail Vikas Nigam Limited on 16th February, 2018 with a contract value ₹ 89.01 crores.

- b. Package-2 Execution of balance works for construction of major bridges (excluding the work of bridge superstructures of steel open web girders) of bridge no. 24 (3x18.3m PSC), 43 (3x18.3m PSC), 58 (1x30.5m open web steel girder), 66 (3x45.7m open web steel girder), 97 (3x18.3m PSC) in connection with doubling between Jaroli (incl.) and Jakhapura (incl.) (170.903 km) on Khurda road division of east coast railway and Chakradharpur division of south eastern railway in the state of Odisha, India is awarded in favour one of our Company ARSS Infrastructure Projects Limited by Rail Vikas Nigam Limited on 16th February, 2018 with a contract value of ₹ 32.08.
 - c. Excavation & Cement Concrete Lining of Baitarani Left Bank Canal (BLBC) from RD 24.08 Km to RD 28.50 Km. Including construction of Structures and Service Road is awarded in favour of our Company ARSS Infrastructure Projects Limited by Chief Construction Engineer, Anandapur Barrage Project, Salapada on 22nd November, 2017 with Contract Value ₹ 49.37 Crores.
 - d. Execution of balance work of roadbed, major & minor bridges, track linking, S&T service buildings, other civil works and outdoor signaling in connection with doubling work Between BLSN to RVH (In) Section (Excluding ANMD yard) and residential & other service buildings at MSMD & ANMD of Sambalpur Division of East Coast Railway & Raipur Division of SECR in the state of Chhattisgarh, INDIA a part of Raipur – Titlagarh Doubling is awarded in favour of our Company ARSS Infrastructure Projects Limited by Rail Vikas Nigam Limited on 20th November, 2017 with a contract value of ₹ 87.09 Crores.
 - e. Jagdalpur - Koraut Doubling: Supplying, transporting and stacking of 90,000 cum of contractor’s hard stone machine crushed Track Ballast as per Railway specifications between Ambagaon - Khadapa stations (from Km.270.40 to Km.244.00) on KK line of WAT Division of East Coast Railway is awarded in favour one of our Joint Venture (JV) named “ARSS-LGPPL (JV)” by by East Coast Railway on 24th August, 2017 with a contract value of ₹ 15.78 Crores.
 - f. Supplying and stacking of contractor’s hard stone machine crushed Track Ballast as per Railway specifications between Jarpada and Talcher Road in connection with Talcher - Sambalpur doubling is awarded in favour one of our Joint Venture (JV) named “ARSS-SCPL (JV)” by by East Coast Railway, Bhubaneswar on 23rd August, 2017 with a contract value of ₹ 16.95 Crores.
 - g. Crushing of contractors hard stone using mechanized crusher to 50 mm gauge of 10,000 Cum (as per specifications) transporting the same to Kakrigumma Depot unloading and stacking on level ground including dressing of ground and loading the same into Railway wagons at Kakrigumma Depot under the jurisdiction of Asst. Divl. Engineer/ Laxmipur on Koraput - Rayagada line of Waltair Division is awarded in favour of our Company ARSS Infrastructure Projects Limited by Divisional Railway Manager, East Coast Railway, Waltair on 11th July, 2017 with a contract value of ₹ 1.30 Crores.
 - h. Koraput - Singapur Road Doubling Project: Construction of Major Bridge No. 1 (1x18.3m Composite Girder, RUB), Br. No 3 (5x30.5m composite Girder), Br. No.6 (5x30.5 Composite Girder), Br. No.12 (1x12.2m +1 x 30.5m+1x12.2m Composite Girder), Br. No.19 (1x12.2m +1x30.5m+1x12.2m Composite Girder), Br. No. 21A (1x36.0m Composite Girder, ROB), Br.NO.25 (2x9.15m RCC Box) & Br. NO. 26 (3x6.1m RCC Box) between Koraput -Damanjodi stations in connection with Doubling of Koraput - Singapur Road section of WAT Division, East Coast Railway” is awarded in favour one of our Joint Venture (JV) named “ARSS-SCPL (JV)” by by East Coast Railway on 04th July, 2017 with a contract value of ₹ 71.57 Crores.
 - i. Supply of Ballast in connection with 3rd & 4th line work between Salegaon to Rajathgarh in KUR Division awarded in favour one of our Joint Venture (JV) named “ARSS-SCPL (JV)” by by East Coast Railway, Bhubaneswar on 04th May, 2017 with a contract value of ₹ 17.82 Crores.
 - j. Bhadrak - Nergundi 3rd Line: Supply of machine crushed hard stone ballast in connection with doubling between Kapilas Road and Salegaon stations under KUR Division of E. Co. Railway awarded in favour of our Company ARSS Infrastructure Projects Limited by East Coast Railway, Jajpur on 11th April, 2017 with a contract value of ₹ 4.19 Crores.
8. Performance and financial position of each of the subsidiaries and associates companies are included in the consolidated financial statement.

9. Listing with stock exchanges:

The Company confirms that it has paid the Annual Listing Fees for the year 2018-19 to The Bombay Stock Exchange Limited and National Stock Exchange of India Limited where the Company's Shares are listed.

10. Management Discussion and Analysis Report:

As required under regulation 34 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report is enclosed as a part of this report as '**Annexure-A**'.

11. Corporate Governance and Shareholders Information:

The Company is committed to maintain the highest standards of Corporate Governance and adheres to the Corporate Governance requirements as stipulated by Securities and Exchange Board of India (SEBI). The report on Corporate Governance as prescribed in Schedule V (C) of the SEBI Listing Regulations forms an integral part of this Annual Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance along-with a declaration signed by Managing Director stating that the members of the Board of Directors and Senior Management personnel have affirmed compliance with the respective codes of conduct of the Board of Directors and Senior Management is attached to the report on Corporate Governance. A report on Corporate Governance is included as a part of this Annual Report as '**Annexure-B**'.

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

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

Annual return of the Company is placed of the Company the web link for the same is <http://arssgroup.in/pdf/Annual%20Return%202018.pdf>

13. Board Meetings:

The Board of Directors of your Company had already constituted various Committees in compliance with the provisions of the Companies Act, 2013 and SEBI Listing Regulations viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and CSR Committee.

During financial year 2014-15, in accordance with the provisions of the erstwhile Clause 49 of the Listing Agreement, the Board had voluntarily constituted the Risk Management Committee.

All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of reference / role of the Committees are taken by the Board of Directors.

Details of the role and composition of these Committees, including the number of meetings held during the financial year and attendance at these meetings, are provided in the Corporate Governance Section of the Annual Report.

14. Number of Board Meetings:

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

27th May, 2017, 9th August, 2017, 14th September, 2017, 11th December, 2017 and 12th February, 2018.

15. Committees of the Board of Directors**a. Audit Committee**

The company has in place an Audit Committee in terms of the requirements of the Companies Act, 2013 read with the rules made there under and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details relating to the same are given in 'Annexure B' of the Board Report on the Corporate Governance forming part of this report. Members are requested to refer to point No. 4 of Corporate Governance Report attached with this annual report.

b. Nomination and Remuneration Committee

The company has in place Nomination and Remuneration Committee in terms of the requirements of the Companies Act, 2013 read with the rules made there under and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details relating to the same are given in 'Annexure B' of the Board Report on the Corporate

Governance forming part of this report. Members are requested to refer to point No. 5 of Corporate Governance Report attached with this annual report.

c. Corporate Social Responsibility Committee (CSR):

The company has in place Corporate Social Responsibility Committee (CSR) in terms of the requirements of section 135 and Schedule VII of the Companies Act, 2013. The details relating to the same are given in 'Annexure B' of the Board Report on the Corporate Governance forming part of this report. Members are requested to refer to point No. 6 of Corporate Governance Report attached with this annual report.

d. Shareholders Relationship Committee

The company has in place Shareholders Relationship Committee in terms of the requirements of the Companies Act, 2013 read with the rules made there under and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details relating to the same are given in 'Annexure B' of the Board Report on the Corporate Governance forming part of this report. Members are requested to refer to point No. 7 of Corporate Governance Report attached with this annual report.

16. Dematerialization of shares:

Physical/ NSDL/ CDSL/Summary Report as on 31st March, 2018, representing 65.22% of total Equity Share Capital of the Company were held in dematerialized form. The Company's Registrars is Bigshare Services Private Limited, 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai – 400 059, Maharashtra.

Mode of Holding	As on 31 st March, 2018	
	No. of Shares	% to Equity
NSDL	88,29,979	38.83%
CDSL	60,00,024	26.39%
PHYSICAL *	79,07,963	34.78%
TOTAL	22,737,966	100.00%

* 78,94,736 Equity Shares (out of 79,07,963 Equity Shares shown in Physical mode of holding as on 31.03.2018) were issued to promoters and their associates on 9th August, 2017 on preferential basis under CDR scheme. Due to pending requisite approvals from the Stock exchanges for dematerialization, shares are shown as in physical mode as on 31.03.2018. Further, the company had obtained final listing and trading permission from the stock exchanges (BSE & NSE) on 22nd June, 2018 for 78,94,736 for final Listing & Trading of these Equity Shares and these shares were taken into dematerialization by NDSL & CDSL.

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

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

18. Auditors:

Statutory Auditors:

As per the provisions of Section 139, 142 and all other applicable provisions of the Companies Act, 2013 (the 'Act') read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 M/s Ajay B Garg, Chartered Accountants, Mumbai, (Membership No. 32538) Statutory Auditors of the Company was appointed for a term of 4 years i.e. till the conclusion of 19th Annual General Meeting (AGM), which was subject to ratification at every AGM, hold office until the conclusion of ensuing Annual General Meeting.

Cost Auditors:

Company has maintained proper cost records and books of account pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products/ services.

M/s. Asutosh & Associates, Cost Accountants, Bhubaneswar were appointed as Cost Auditors for auditing the cost accounts

of your Company for the year ended 31st March, 2018 by the Board of Directors pursuant to the Section 148 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014.

Secretarial Auditors:

M/S Deba Mohapatra & Co., a firm of practicing Company Secretaries, Bhubaneswar (FRN: P2002OR002800) were appointed as Secretarial Auditors of the Company for the financial year 2017-18 by the Board of Directors pursuant to the Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Secretarial Audit Report submitted by M/S Deba Mohapatra & Co., is enclosed as a part of this report '**Annexure-D**'. Qualifications or remarks made by the Secretarial Auditor in his Report are self explanatory.

Internal Auditors:

M/s. PR & Associates, Cost Accountants, Bhubaneswar were appointed as Internal Auditors of the Company for the financial year 2017-18 by the Board of Directors pursuant to the Section 138 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014.

19. Report of Auditors:

Statutory Auditors

Our reply to the qualifications of Auditors: -

Basis for Qualified Opinion

- a. In the absence of audited books of accounts of Balaji-ARSS JV, ARSS-MVPL JV, ARSS-SIPS JV, ARSS-BMS JV, discrepancies, if any, between the said accounts with that of the Company is not ascertainable.

Company Reply: The Joint Venture has completed the object for which it was formed. No transaction has been entered into during the Year. The accounts of the JVs are under the control of respective JV Partners i.e. Balaji Engicons Pvt. Ltd, Mateshweri Vanijya Pvt. Ltd, Shyam Indus Power Solutions Pvt. Ltd. and BMS Projects. The accounts of these JVs are yet to be finalized from their end. Hence financial implication for the JV is not quantifiable. However the accounting effect of the discrepancies, if any after the finalization of its accounts will be given at current date.

- b. In absence of relevant records, Contract-wise surplus/loss has neither been ascertained nor recognized in compliance with Ind AS-115 'Revenue from contract with customers'.

Company Reply: During the work execution period there is escalation claim, revision of contract value, extension of completion period, etc due to which unpredictable variation in reliable estimation of revenue and cost. Also the allocation of combine Operating overhead, Head office overhead and Financial Cost is not possible due to combine use or high swapping of resources, size of the Contracts. Hence financial implication of the qualification is not quantifiable.

- c) The company has overdue accumulated secured debts amounting to ₹ 1491.49 Crores subject to reconciliation interest thereon from 01.04.2016. Banks has classified it as NPA. No interest has been charged on these secured debts to the Profit & Loss account resulting in understatement of loss to that extent and understatement of liability. Secured lenders have served notices on various dates under section 13(2) of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 for recovery of their dues.

Company Reply: The Company has not provided interest on NPA accounts, Since the outstanding amount is not quantifiable and the company is in the process for one time settlement with the banks.

- d) Interest on Service Tax payable of ₹ 88.03 Lakhs has not provided, resulting to underreporting of loss to that extent.

Company Reply: Management is unable to determine input credit of service tax and there would be variation in service tax liability, hence unable to quantify interest liability on same.

- e) Interest on Mobilization Advance Received of ₹ 365.89 Lakhs has not been provided, resulting to underreporting of loss to that extent.

Company Reply: Interest on Mobilization Advance Received of ₹365.89 Lakhs has not been provided as the department has the practice to deduct interest & principal of mobilization advance from our running account bill.

Secretarial Auditors:

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

20. Directors /Key Managerial Personnel Appointed / Resigned During the Year:

The following were appointed/ reappointed/ Resigned as Directors /Key Managerial Personnel during the financial year under review:

Sl. No.	Name	Designation	Date of Appointment	Date of Resignation
1	Mr. Pareswar Panda	Independent Director	9 th August, 2017	-
2	Mrs. Rima Dhawan	Woman Independent Director	17 th December, 2016	27 th September, 2017 (vacation of office of director)
3	Mrs. Janhabi Deo	Woman Independent Director	11 th November, 2017 (to be regularized by the shareholders in ensuing AGM scheduled to be held on 27 th September, 2018)	-

21. Key Managerial Personnel

Following persons are the Key Managerial Personnel of the Company pursuant to Section 2(51) and Section 203 of the Act, read with the Rules framed thereunder

- a. Mr. Rajesh Agarwal, Managing Director;
- b. Mr. S. K. Pattanaik, Chief Financial Officer
- c. Ms. Alka Khemka, Company Secretary

22. Re-appointment of Mrs. Janhabi Deo as Woman/ Independent Director

Mrs. Janhabi Deo (DIN: 07257699), who was appointed as Non-Executive Woman Independent Director by the board of directors through resolution by circulation from 11th November, 2017 to 10th November, 2018 for the period of one year and whose term of office is expiring on to 10th November, 2018, who has consented for re-appointment as Independent Director of the company & has also submitted a declaration that she meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for re-appointment, the board has proposed her candidature for the office of Director pursuant to the provisions of section 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, is proposed to be re-appointed as Woman Independent Director of the Company with effect from 11th November, 2018 to 10th November, 2023 (for five years) not liable to retire by rotation.

23. Continuation of Mr. Swarup Chandra Parija as Independent Director

Pursuant to the SEBI notification dated 9th May, 2018 amended Regulation 17 of SEBI (LODR), 2015 effective from 1st April, 2019, board has proposed to shareholders for approval for continuation of directorship of Mr. Swarup Chandra Parija (DIN: 00363608) who was appointed by the Members of the Company on 29th September, 2015 for a period of five years with effect from 1st April, 2016 to 31st March, 2021) till the completion of his present term i.e. up to 31st March, 2021 as an Independent Director (who is age of 77 (seventy seven) years and above).

24. Secretarial Standards

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

25. Director's Responsibility Statement:

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

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any,
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had laid down internal financial controls and such internal financial controls are adequate and are operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

26. Code of Conduct

The Code of Conduct (hereinafter referred to as 'Code') is applicable to all its Board Members and Senior Management Personnel of the Company. A Code of Conduct for the Directors and Senior Management Personnel has already been approved by the Board of Directors of the Company. All Board Members and Senior Management Personnel had affirmed compliance with the Code during the year and no violation of the same was reported. A declaration to the effect that all Board Members and Senior Management Personnel have complied with the Code during the financial year 2017-18, duly signed by Managing Director of the Company is herein below enclosed with Corporate Governance Report. The Code has also been posted on the Company's Web-site.

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

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

- (i) The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year.
 - a. Mr. Subash Agarwal- Chairman- 1: 22.91
 - b. Mr. Rajesh Agarwal- Managing Director- 1: 20.83
- (ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year - 0%
- (iii) The percentage increase in the median remuneration of employees in the financial year- 20%
- (iv) The number of permanent employees on rolls of the company.

Total 609 employees as on 31st March, 2018.
- (v) The explanation on the relationship between average increase in remuneration and company performance.- The loss in the financial year 2017-18 is much lower than of the losses of previous financial year. The increase in the remuneration of the median remuneration of employees is based on inflation consideration.
- (vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company.- Though the loss in the financial year 2017-18 is much lower than of the losses of previous financial year. There were no changes in the remuneration of Key Managerial Personnel in the last financial year.
- (vii) Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over/ decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;
 - Variations in the market capitalization of the company: The market capitalization of the company as on 31.03.2018 was ₹ 64.33 crores and as on 31.03.2017 market capitalization was ₹ 103.06 crores.
 - Price earnings ratio of the company: Price earnings ratio of the company as on 31.03.2018 is (1.58) and as on 31.03.2017 it was (0.31).

- Percentage increase over/ decrease in the market quotations of the shares of the company as compared to the rate at which the company came out with the last public offer in the year:

The Company had come out with initial public offer (IPO) in 2010 with issue price per share of ₹ 450/-. Share price as on March 31, 2018 with NSE is ₹ 43.34 per share indicating decrease in the market quotation of shares.

- (viii) Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration- There were increase in the salaries of some employees in the last financial year but there were no changes in the remuneration of the managerial personnel in the last financial year.
- (ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company- Same response as in point vi) above .i.e. 0%.
- (x) The key parameters for any variable component of remuneration availed by the directors; - No Director has received any variable component of remuneration in the last financial year though Chairman and Managing Director are entitled for commission upto 6% of the net profit of the company for the financial year in which adequate profit is earned, computed in the manner laid down in section 198 of the Companies Act, 2013.
- (xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: 0.79: 1
- (xii) The remuneration paid to employees is as per the remuneration policy of the Company.

As required under the provision of Section 197 (12) read with Rule 5 (2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Particulars of Employees) Rules, 1975, as amended, there was no employees who have drawn salary or appointed under this category during the financial year 2017-18.

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

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

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

The Company has complied with the definition of Independence as per regulation SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and according to the Provisions of section 149(6) Companies Act, 2013. The company has also obtained declarations from all the Independent Directors pursuant to section 149 (7) of the Companies Act, 2013.

30. 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.

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

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

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

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

32. Annual Evaluation by the Board of Its Own Performance (Including Committees and Individual Directors)

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board who were evaluated on parameters such as level of engagement and contribution and independence of judgment thereby safeguarding the interest of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. The board also carried out annual performance evaluation of the working of its Audit,

Nomination and Remuneration as well as stakeholder relationship committee. The Directors expressed their satisfaction with the evaluation process.

33. Independent Directors Meeting

During the year under review, the Independent Directors of the Company met on 12th February, 2018, *inter-alia*, to discuss:

- i) Evaluation of performance of Non-Independent Directors and the Board of Directors of the Company as a whole.
- ii) Evaluation of performance of the Chairman of the Company, taking into account the views of Executive and Non-Executive Directors.
- iii) Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

34. Familiarisation Programme of Independent Directors

In compliance with the requirements of SEBI Listing Regulations, the Company has put in place a familiarization program for Independent Directors to familiarize them with their role, rights and responsibility as Directors, the operations of the Company, business overview etc. The details of the familiarization program are explained in the Corporate Governance Report and the same is also available on the website of the Company.

35. Details of significant and material orders:

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

36. Particulars of Loans, Guarantees or Investments under Section 186

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

37. Particulars of Contracts or Arrangements with Related Parties Referred To In Sub-Section (1) of Section 188 in the Prescribed Form AOC-2

All related party transactions attracting compliance under Section 188 and / or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are placed before the Audit Committee as also before the Board for approval. Prior omnibus approval of the Audit Committee was also sought for transactions which are of a foreseen and repetitive nature.

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

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

38. Material changes and commitments, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report:

- a. **Final Listing & Trading permission of Equity Shares-** The company had obtained final listing and trading permission from the stock exchanges (BSE & NSE) on 22nd June, 2018 for 78,94,736 Equity shares issued and allotted to promoters and their associates on preferential basis pursuant to the CDR Scheme.
- b. **Application to NCLT, Kolkata Bench under IBC, 2016** - One of the 'Operational Creditors' M/s Sri Shyam Steels, Rourkela, has filed an application under section 9 of The Insolvency And Bankruptcy Code, 2016, before Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench at Kolkata for initiating 'Corporate Insolvency Resolution Process. The company was served a copy of the application (before filing with NCLT) on 17th May, 2018.
- c. **FIR by Central Bureau of Investigation 'CBI'**- Central Bank of India has filed a FIR against our subsidiary company 'ARSS Damoh Hirapur Tolls Private Limited', its directors and guarantors including ARSS Infrastructure Projects Limited (being corporate guarantor) on 9th April, 2018 in connection with the loan provided to our subsidiary company 'ARSS Damoh Hirapur Tolls Private Limited'.

39. Forensic Audit By SEBI

Pursuant to the SEBI order dated September 25, 2017 ref. no. SEBI/WTM/MPB/ISD/39/2017, directing Exchanges to conduct forensic audit of our company, KPMG was appointed by National Stock Exchange of India Ltd. to conduct forensic audit of our company w.e.f. 22nd December, 2017. Further report of the same is still awaited.

40. Compounding status

Four more Sections (Nine Sections already compounded in the financial year 2016-17) out of thirty eight sections for which show cause notices were issued by the office of Regional Director, Eastern Region and Registrar of Companies of Odisha at Cuttack Pursuant to the inspection held under section 209(A) of The Companies Act, 1956 were compounded during the financial year 31st March, 2018. Hence till date total 13 sections have been compounded out of thirty eight sections for which show cause notices were issued. Please refer point No. VII of MGT-9 attached with this report for further details.

41. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

During the year under review, the Company has taken adequate measures for conservation of energy and also has not gone for any technology absorption whatsoever in accordance with the provisions of sub - Section (3) (m) section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014. The Company has neither earned any income nor incurred any expenditure in foreign currency during the financial year ended 31st March, 2018.

42. Development and Implementation of Risk Management Policy:

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

43 Corporate Social Responsibility

i) Terms of reference:

The Committee formulates CSR Policy. The role of the Committee is as under:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- Recommend the amount of expenditure to be incurred on the activities referred in the CSR policy.
- Monitor the CSR Policy of the Company and its implementation from time to time.
- Such other functions as the Board may deem fit from time to time.

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

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

Name of the Member	Position	No. of Meetings held during the FY 2017- 18	No. of meetings Attended during the FY 2017- 18
Mr. Rajesh Agarwal	Chairman	1	1
Mr. Swarup Chandra Parija	Member	1	1
Mr. Pareswar Panda	Member	1	Nil

*Mrs. Rima Dhawan resigned from the CSR Committee and the committee was re-constituted by the board in their meeting held on 9th August, 2017 and Board approved the appointment of Mr. Pareswar Panda as Member/Chairman of the CSR Committee.

iii) No. of Meetings held during the year:

During the year the Committee had met once i.e. on 9th August, 2017.

iv) Amount incurred on CSR activities during the year:

Section 135 of the Companies Act, 2013 & Companies (Corporate Social Responsibility Policy) Rules, 2014, (CSR Rules) makes it mandatory for certain companies who fulfill the criteria as mentioned under Sub Section 1 of Section 135 to comply with the provisions of Corporate Social Responsibility and accordingly company had constituted a CSR committee and has also adopted the CSR Policy for the company as approved by the committee.

Since the average of the last three years profit was in negative figures this time i.e. (₹ 320.59) crores loss, company need not to incur any amount towards CSR in the FY 2017-18.

A responsibility statement of the CSR Committee

The CSR Committee has confirmed that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Sd/-
(Chairman CSR Committee)

44. Whistle Blower Policy of the Company:

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

45. Internal Complaint Committee

Company has a well formulated Policy on Prevention & Redress of Sexual Harassment. The objective of the policy is to prohibit, prevent and address issues of sexual harassment at the workplace. This policy has striven to prescribe a code of conduct for the employees and all employees have access to the Policy document and are required to strictly abide by it. The policy covers all employees, irrespective of their nature of employment and also applicable in respect of all allegations of sexual harassment made by an outsider against an employee. During the year 2017-18, no case of Sexual Harassment was reported. The Company has complied with provision relating to the constitution of internal complain committee under the Sexual Harassment of women at work place (Prevention, Prohibition and Redressal) Act, 2013.

46. Reporting of Frauds:

There have been no instances of fraud reported by the Statutory Auditors under Section 143(12) of the Act and Rules framed there under either to the Company or to the Central Government.

47. Acknowledgement:

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

For and on behalf of the Board of Directors

Sd/-
(Subash Agarwal)
Chairman

Place: Bhubaneswar
Dated: 10th August, 2018

REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS

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

Year 2017-18 was a year of consolidation for the construction sector in India. After three years of over 7% growth, the Indian economy slowed down slightly in 2017-18 recording 6.7% growth in real gross value added (GVA). With the entire infrastructure development ecosystem under stress in India since 2012, there has been a considerable slowdown in construction activities. The growth momentum achieved between 2007-08 and 2011-12 has completely subsided. Despite this slowdown, the economy continues to remain one of the fastest growing among major global economies.

India is also going through a difficult phase related to its banks and non-performing assets (NPA). The latest Reserve Bank of India (RBI) estimates in September 2017 suggests that gross NPA was ₹ 9 lakh crores, which is 10.5% of the banking assets with restructured assets being an incremental ₹ 1.3 lakh crores. Further, a report by the credit rating agency, CARE, shows that, from a global perspective, India was fifth-worst in terms of bad loans in the system, measured as the ratio of NPA to outstanding loans. In a major development on February 12, 2018, the RBI withdrew a host of restructuring schemes such as 5:25, Strategic Debt Restructuring (SDR), Scheme for Sustainable Structuring of Stressed Assets (S4A) and Corporate Debt Restructuring (CDR). Instead, the RBI has insisted on capturing early stress on loan accounts immediately in the event of a default.

While this new stance of the RBI will doubtless add transparency about stressed accounts, a proportion of banking assets under the various restructuring schemes that have been withdrawn by the central bank could run the risk of becoming NPAs. Moreover, unless this move is backed by concurrent addition of resources for provisioning or capital infusion, it may create more confusion among the lenders and borrowers alike. Therefore, it is imperative that all stakeholders, under the aegis of the RBI, evolve a cohesive and synchronized joint plan regarding the extent of provisioning and capital required and its mode of funding. In the interim, the present uncertain regulatory environment coupled with the increasing revelations and ongoing probes into frauds and allegations of improprieties against bankers is denting credit availability in the economy.

Government of India (GoI) has been playing a key role, especially in the last couple of years. As an example, it is worthwhile to highlight the expenditure outlays on various infrastructure sectors in the Union Budget for 2018-19. Here is a list:

- a. GoI has increased budgetary and extra budgetary expenditure on infrastructure by around 20% from ₹ 4.94 lakh crores in 2017-18 to ₹ 5.97 lakh crores for 2018-19. Within the infrastructure sector, the focus areas of growth are clearly road transportation, railways, urban development and airports.
- b. In roads, capital expenditure of ₹ 1,22,000 crores has been earmarked for expansion of National Highways (more than 9,000-km length was achieved in 2017-18). Connectivity with the interior, backward and border areas of the country is being sought under the recently approved Bharatmala Pariyojana programme.
- c. For railways, capital expenditure of ₹ 1,48,528 crores is earmarked for 18,000 km of doubling, third and fourth line works, 5,000 km of gauge conversion, 3,600 km of track renewals and rolling stock programme for 12,000 wagons, 5,160 coaches, and 700 locomotives during 2018-19. The work on eastern and western DFC (Domestic Freight Corridor) is going on along with redevelopment of 600 major railway stations. In addition, ₹ 16,800 crores has been allotted for MRTS and Metro projects.

Opportunities and Threats, Risks and concerns

Exposed to the vagaries of the external business environment faced by the industry in India. The Company has continuously recrafted its strategic positioning and calibrated its business objectives in line with the evolving business environment.

In FY: 2017-18, this strategic intent translated into further enhancing focus on the core construction business. In effect, HCC has had to strike a fine balance between maintaining pace of execution activities, closing completed projects and growing the order book while carefully managing the limited working capital available. The Company has also undertaken several initiatives to monetise or dilute its own positions in non-core businesses.

With concerted efforts, even while focusing on selective orders that meet strict risk return equations, Company has successfully increased the order book .

Company has always followed a rigorous process of working on collections where there have been deviations from project terms by clients and/or project delays due to issues on the client's side. For the majority of such cases, the Company's stands have been vindicated by arbitration panels and courts.

Changes were introduced to the Arbitration and Conciliation Act, 1996 through the enactment of the Arbitration and Conciliation (Amendment) Act, 2015 in the previous financial year. The amended Act substantially reduces the stipulated time within which an Arbitration process must be completed.

The Arbitral Tribunal must issue the Award within 12 months of being constituted, with a maximum extension of six months thereafter. Early experience with the amended Act has been extremely encouraging, with proceedings under the new Act being completed well within the specified time frames. Equally importantly, the Amendment disposes with the automatic stay on an award in court, which allows for an immediate execution petition in favour of the awardee. These ground-level changes will substantially reduce the time to realization of the company's substantial receivables. The amended Act is not the only piece of legislation aimed at easing dispute resolution and improving the ease of doing business.

BUSINESS DEVELOPMENT

The Company (alongwith it's JVs) has secured the following contracts (work order) during the financial year 2017-18:

- a. Package- 1 Execution of balance works for construction of major bridges (excluding the work of bridge superstructures of steel open web and composite girders) of bridge no. 326 (3x30.5m open web steel girder), 341 (3x30.5m composite steel girder welded type), 348 (7x30.5m open web steel girder), 352 (3x12.2m PSC), 355 (5x30.5m open web steel girder), 367 (6x30.5m composite steel girder welded type) and 390 (10x30.5m open web steel girder) in connection with doubling between Jaroli (incl.) and Jakhapura (incl.) (170.903 km) on Khurda road division of east coast railway in the state of Odisha, India." is awarded in favour one of our Company ARSS Infrastructure Projects Limited by Rail Vikas Nigam Limited on 16th February, 2018 with a contract value ₹ 89.01 crores.
- b. Package-2 Execution of balance works for construction of major bridges (excluding the work of bridge superstructures of steel open web girders) of bridge no. 24 (3x18.3m PSC), 43 (3x18.3m PSC), 58 (1x30.5m open web steel girder), 66 (3x45.7m open web steel girder), 97 (3x18.3m PSC) in connection with doubling between Jaroli (incl.) and Jakhapura (incl.) (170.903 km) on Khurda road division of east coast railway and Chakradharpur division of south eastern railway in the state of Odisha, India is awarded in favour one of our Company ARSS Infrastructure Projects Limited by Rail Vikas Nigam Limited on 16th February, 2018 with a contract value of ₹ 32.08.
- c. Excavation & Cement Concrete Lining of Baitarani Left Bank Canal (BLBC) from RD 24.08 Km to RD 28.50 Km. Including construction of Structures and Service Road is awarded in favour of our Company ARSS Infrastructure Projects Limited by Chief Construction Engineer, Anandapur Barrage Project, Salapada on 22nd November,2017 with Contract Value ₹ 49.37 Crores.
- d. Execution of balance work of roadbed, major & minor bridges, track linking, S&T service buildings, other civil works and outdoor signaling in connection with doubling work Between BLSN to RVH (In) Section (Excluding ANMD yard) and residential & other service buildings at MSMD & ANMD of Sambalpur Division of East Coast Railway & Raipur Division of SECR in the state of Chhattisgarh, INDIA a part of Raipur – Titlagarh Doubling is awarded in favour of our Company ARSS Infrastructure Projects Limited by Rail Vikas Nigam Limited on 20th November, 2017 with a contract value of ₹ 87.09 Crores.
- e. Jagdalpur - Koraut Doubling: Supplying, transporting and stacking of 90,000 cum of contractor's hard stone machine crushed Track Ballast as per Railway specifications between Ambagaon - Khadapa stations (from Km.270.40 to Km.244.00) on KK line of WAT Division of East Coast Railway is awarded in favour one of our Joint Venture (JV) named "ARSS-LGPPL (JV)" by by East Coast Railway on 24th August, 2017 with a contract value of ₹ 15.78 Crores.
- f. Supplying and stacking of contractor's hard stone machine crushed Track Ballast as per Railway specifications between Jarpada and Talcher Road in connection with Talcher - Sambalpur doubling is awarded in favour one of our Joint Venture (JV) named "ARSS-SCPL (JV)" by by East Coast Railway, Bhubaneswar on 23rd August, 2017 with a contract value of ₹ 16.95 Crores.
- g. Crushing of contractors hard stone using mechanized crusher to 50 mm gauge of 10,000 Cum (as per specifications) transporting the same to Kakrigumma Depot unloading and stacking on level ground including dressing of ground and loading the same into Railway wagons at Kakrigumma Depot under the jurisdiction of Asst. Divl. Engineer/ Laxmipur on Koraput - Rayagada line of Waltair Division is awarded in favour of our Company ARSS Infrastructure Projects Limited by Divisional Railway Manager, East Coast Railway, Waltair on 11th July, 2017 with a contract value of ₹ 1.30 Crores.
- h. Koraput - Singapur Road Doubling Project: Construction of Major Bridge No. 1 (1x18.3m Composite Girder, RUB), Br. No. 3 (5x30.5m composite Girder), Br.No.6 (5x30.5 Composite Girder),Br. No.12 (1x12.2m +1x30.5m+1x12.2m Composite Girder), Br. No.19 (1x12.2m +1x30.5m+1x12.2m Composite Girder),Br. No. 21A (1x36.0m Composite Girder,

ROB), Br.NO.25(2x9.15m RCC Box) & Br.NO.26(3x6.1m RCC Box) between Koraput -Damanjodi stations in connection with Doubling of Koraput - Singapur Road section of WAT Division, East Coast Railway” is awarded in favour one of our Joint Venture (JV) named “ARSS-SCPL (JV)” by East Coast Railway on 04th July, 2017 with a contract value of ₹ 71.57 Crores.

- i. Supply of Ballast in connection with 3rd & 4th line work between Salegaon to Rajathgarh in KUR Division awarded in favour one of our Joint Venture (JV) named “ARSS-SCPL (JV)” by East Coast Railway, Bhubaneswar on 04th May, 2017 with a contract value of ₹ 17.82 Crores.
- j. Bhadrak - Nergundi 3rd Line: Supply of machine crushed hard stone ballast in connection with doubling between Kapilas Road and Salegaon stations under KUR Division of E. Co. Railway awarded in favour of our Company ARSS Infrastructure Projects Limited by East Coast Railway, Jajpur on 11th April, 2017 with a contract value of ₹ 4.19 Crores.

Outlook

There are large opportunities in the future. To profitably avail of these prospects, each player in the construction industry in India must strike a balance between two goals. The first is to systematically deleverage their balance sheets, prune fixed costs and monetise non-core activities — and do so in a manner that gives sufficient comfort to the lenders. The second is to grow their businesses and continue to execute despite a substantial liquidity crunch. These are not easy tasks. How construction players go about meeting these imperatives and how they can be assisted by banks and their clients will clearly determine the state of the business in the next few years.

In summary, therefore, though India’s GDP and GVA growth witnessed a slowdown in 2017-18 compared to the three earlier years, it is still in a fairly healthy state. Growth in public investments has created a fillip for infrastructure and also increased the ratio of gross domestic capital formation to GDP - for the first time over the last five years. There are concerns regarding the NPA overhang and the possibility of a widening current account deficit due to rising crude oil prices. Equally, greater stability in operationalizing the GST regime in India, likely recovery in investments and a continued commitment to fiscal prudence augur well for the economy. The RBI has pegged GDP growth for 2018-19 at 7% of GDP.

2. Internal control systems and their adequacy

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

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

Key elements of the Internal Control Systems are as follows:

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

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

3. Discussion on financial performance with respect to operational performance

The performance during the period ended 31st March, 2018 has been as under:

(₹ In Crores)

Particulars	2017-18	2016-17
Sales	584.34	836.65
Profit before Depreciation, Interest and Tax	(17.59)	(226.77)
Less : Depreciation	23.94	32.63
Interest	37.24	76.99
Profit Before Tax	(78.77)	(336.39)
Less : Tax Expenses		
a) Current Year	-	-
b) Earlier Year	5.95	0.20
c) Deferred Tax	(29.95)	(4.98)
Profit/Loss After Tax	(54.77)	(331.61)
Balance brought forward from previous year	(132.47)	199.14
Amount Available for Appropriation	(187.27)	(132.47)
Appropriations		
a) Dividend	-	-
b) Tax on Dividend	-	-
c) Transfer to General Reserve	-	-
Balance Carried to Balance Sheet	(187.27)	(132.47)
Earnings per Share (In ₹) (Weighted) Basic (Equity Shares of face value of ₹ 10/- each)	(27.51)	(223.46)
Earnings per Share (In ₹) (Weighted) Diluted (Equity Shares of face value of ₹ 10/- each)	(27.51)	(145.84)

4. Human Resources Development and Industrial Relations:

In 2017-2018, with ARSS growing its order book, resource mobilisation for new projects became a key HR imperative. With the growing number of projects, hiring was also done at the leadership levels in the areas of operations, engineering and design to strengthen the quality of project execution. New talent was also inducted at the middle and junior levels. While adequate number of people were hired for effective execution, there were strong budget controls imposed to effectively balance the twin objectives of growth and cost control.

New employee induction and training for the existing employees continued to remain focused on functional, technical and behavioral areas. Safety related training also remained an important area of intervention. With new projects getting awarded and many project managers being new to the ARSS system, an exhaustive induction program covering all functions and processes was developed and implemented. However, the objective of furthering operational efficiencies remained a common thread through these activities. The Company is actively working on developing a culture driven by the collective spirit of experience. Assignment, empowerment and accountability will be the cornerstone of the people led processes.

Since 2017-18 was a year of consolidation, the remuneration and benefits mostly remained unaltered. However, ground work started on rationalising the compensation structure to make it more employees friendly and with a plan to implement the same in coming financial year. Safety related training also remained as one of the primary focus areas. In the area of Project Management, self and immediate superior's assessments were completed with an objective to roll out appropriate training programmes for the next financial year with special focus on project risk assessment and mitigation.

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.

5. Business Performance:

The turnover of the Company in the year is ₹ 584.34 crores as compared to ₹ 836.65 crores in the previous year. The profit before tax is ₹ (78.77) as compared to ₹ (336.39) crores for the previous year.

6. 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.

7. Internal Controls and their Adequacy

ARSS has an adequate system of internal control to ensure that the resources of the Company are used efficiently and effectively, all assets are safeguarded and protected against loss from unauthorised use or disposition and the transactions are authorised, recorded and reported correctly, financial and other data are reliable for preparing financial information and other data and for maintaining accountability of assets. The internal control is supplemented by extensive programme of internal audits, review by management, documented policies, guidelines and procedures.

8. Cautionary Statement:

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in the infrastructure sector, significant changes in political and economic environment in India, exchange rate fluctuations, tax laws, litigation, labour relations and interest costs.

Place: Bhubaneswar
Dated: 10th August, 2018

Sd/-
(Subash Agarwal)
Chairman

Corporate Governance Report

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

ARSS Infrastructure Projects Limited ('the Company' or 'ARSS') has always been committed to maintain sound corporate governance standards and ethical business practices.

This involves institutionalizing the Company's philosophy on corporate governance across business activities, which is based on the principles of accountability, transparency, responsibility and fairness in all aspects of its operations.

The Company has an active and Independent Board of Directors that provides supervisory, strategic advice and direction. Your Company believes that all actions and plans should be supported by adequate systems and procedures in order to ensure that the decision making process across different levels of management is well-informed and conforms to the highest standards of corporate behaviour.

This Chapter reports the Company's compliance with the Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as SEBI Listing Regulations) as given below:

2. Board of Directors

The Board of Directors has an ideal combination of executive and non executive Directors and is in conformity with the provisions of Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulations which inter alia stipulates that the Board should have an optimum combination of Executive and Non-executive Directors with at least one Woman Director and not less than fifty percent of the Board should consist of Independent Directors, if the Chairman of the Board is an Executive Director.

- (i) The Company had 6 Directors (as on 31.03.2018) of which 2 are Executive Directors, 1 is Nominee Director and 3 are Non-Executive & Independent Directors. Out of 3 Non-Executive & Independent Directors there is one Woman Independent Director.
- (ii) The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanship /Memberships held by them in other companies is given below. Other directorships do not include alternate directorships, directorships of Private Limited Companies, section 25 companies, and of companies incorporated outside India. Chairmanship / Membership of Board Committees include only Audit committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee and CSR Committee.

Name	Category	Board Meetings		Attendance at Last AGM	No. of Directorship/ Membership/ Chairmanship in other Public committee			No. of shares held in the company as on 31.03.2018
		Held During the tenure	Attended		Director	Committee member	Committee Chairman	
Mr. Subash Agarwal (Chairman)	Executive Director	5	3	Yes	2	Nil	Nil	13,81,608
Mr. Rajesh Agarwal (Managing Director)	Executive Director	5	5	Yes	3	Nil	Nil	5,38,745
Mr. Swarup Chandra Parija	Independent Director	5	5	No	1	3	3	Nil
Ms. Rima Dhawan (up to 27 th September, 2017)	Independent Director	3	3	Yes	Nil	Nil	Nil	Nil
Mr. Krishna Chandra Raut	Nominee Director	5	5	Yes	1	Nil	Nil	Nil
Mr. Pareswar Panda (from w.e.f. 09.08.2017)	Independent Director	3	3	Yes	Nil	Nil	Nil	Nil
Mrs. Jahnabi Deo (from w.e.f. 11.11.2017)	Independent Director	2	2	NA	Nil	Nil	Nil	Nil

Notes:-

- Excludes private limited companies, foreign companies and companies registered under Section 8 of the Companies Act, 2013 (i.e. associations not carrying on business for profit or which prohibits payment of dividend).
- Chairmanship/Membership of Audit Committee and Stakeholder's Relationship Committee in other public Companies has been considered.

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

(iii) No. of Board Meetings

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

27th May, 2017, 9th August, 2017, 14th September, 2017, 11th December, 2017 and 12th February, 2018.

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

1 st Quarter Results	: 14 th September, 2017
2 nd Quarter Results	: 11 th December, 2017
3 rd Quarter Results	: 12 th February, 2018
4 th Quarter & Annual Results	: 30 th May, 2018

The tentative dates of the Board Meetings for consideration of financial results for the year ending 31st March, 2019 are as follows:

1 st Quarter Results	: 10 th August, 2018
2 nd Quarter Results	: 12 th November, 2018
3 rd Quarter Results	: 11 th February, 2019
4 th Quarter & Annual Results	: 20 th May, 2019

(iv) Board Procedure

The Board ensures that the Company’s reporting and disclosure practices meet the highest standards of Corporate Governance and that the business practices followed by the Company are oriented towards meeting obligations towards various stakeholders and enhancing shareholders value. The Agenda of the meeting is circulated well in advance to the Board members backed by comprehensive background information to enable them to take appropriate decisions. During the year, information as information to be placed before board of directors under SEBI (Listing Obligations & Disclosure Requirements), Regulation, 2015, [Reg. 17(7)] has been placed before the Board for its consideration. The Board is also kept informed of major events / items and approvals taken wherever necessary. The Managing Director at the Board Meetings keep the Board apprised of the overall performance of the Company.

Further, the Board also reviews the Annual financial statements of the Unlisted Subsidiary Companies. Pursuant to Regulation 24 of the SEBI Listing Regulations, the Minutes of the Board Meetings and a statement of all significant transactions and arrangements entered into by the Company’s Unlisted Subsidiary Companies are placed before the Board. The Company has also formulated a Policy for determining “Material Subsidiaries” which is available on the website of the Company.

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

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

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

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

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

A) Criteria of selection of Non-Executive Directors

- a) The Non Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.
- b) In case of appointment of Independent Directors, the Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.

- c) The Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- d) The Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.
 - Qualification, expertise and experience of the Directors in their respective fields;
 - Personal, Professional or business standing;
 - Diversity of the Board.
 - In case of re-appointment of Non Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

B. Remuneration to Non-Executive Directors

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

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

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

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

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

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

(vii) Remuneration Policy for the Senior Management Employees

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

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

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

(viii) Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, a separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board who were evaluated on parameters such as level of engagement and contribution and independence of judgment thereby safeguarding the interest of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The board also carried out annual performance evaluation of the working of its Audit, Nomination and Remuneration as well as stakeholder relationship committee. The Directors expressed their satisfaction with the evaluation process.

3. Independent Directors :

The Company has complied with the definition of Independence as per SEBI (LODR) Regulations, 2015 and according to the Provisions of section 149(6) Companies Act, 2013. The company has also obtained declarations from all the Independent Directors pursuant to section 149 (7) of the Companies Act, 2013.

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

Recently, SEBI vide its notification dated 9th May, 2018 has amended Regulation 17 of SEBI (LODR), 2015 effective from 1st April, 2019. In view of the same Company is also complying the recent amendments in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

(i) Training & Induction of Independent Directors:

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

(ii) Performance Evaluation of non-executive and Independent Directors

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

(iii) Independent Directors Meeting

During the year under review, the Independent Directors of the Company met on 12th February, 2018 *inter-alia*, to discuss:

- i) Evaluation of performance of Non-Independent Directors and the Board of Directors of the Company as a whole.
- ii) Evaluation of performance of the Chairman of the Company, taking into account the views of Executive and Non-Executive Directors.
- iii) Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

(iv) Board Committees:

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

4. Audit Committee:**i) Terms of reference:**

The terms of reference of the Audit Committee are in conformity with the requirements of Regulation 18 of SEBI (LODR) Regulations, 2015 and Section 177(4) of the Companies Act, 2013. Further, the Audit Committee has powers which are in line with the SEBI Listing Regulations. The Audit Committee reviews the audit reports submitted by the Auditors, financial results, effectiveness of internal audit processes and the Company's risk management strategy. It reviews the Company's established systems and governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and SEBI Listing Regulations.

ii) Composition:

The Audit Committee of the Company consists of 3 Non- Executive Director. The Chairman of the Audit Committee (Independent Director) is financially literate and majority of them having accounting or related financial management experience. Company Secretary acts as Secretary to the Committee. CFO & AVP Finance are the permanent invitees in the Audit Committee meetings.

iii) No. of Meetings held during the year:

During the year the Committee had 5 Meetings i.e. on 27th May, 2017, 9th August, 2017, 14th September, 2017, 11th December, 2017 and 12th February, 2018.

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

During the financial year 2017-18 the Audit Committee of the Board comprised of the following three Directors out of which two are Independent Directors one is Nominee of State Bank of India and their attendance are given below:

Name of the member	Position	No. of Meetings held during the F.Y. 2017-18	No. of meetings Attended during the F.Y. 2017-18
Mr. Swarup Chandra Parija	Chairman	5	5
Mr. Krishna Chandra Raut	Member	5	5
Mrs. Rima Dhawan * (up to 9 th August, 2017)	Member	5 (2 meetings held during the tenure)	2
Mr. Pareswar Panda* (From 14 th September, 2017)	Member	5 (2 meetings held during the tenure)	2
Mrs. Jahnabi Deo* (From 12 th February, 2018)	Member	5 (1 meetings held during the tenure)	1

Mr. Pareswar Panda, then Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on 25th September, 2017 to answer the Members' queries.

Note:-

*Mrs. Rima Dhawan resigned from the Audit Committee and the committee was re- constituted by the board in their meeting held on 9th August, 2017 and Board approved the appointment of Mr. Pareswar Panda as Member/Chairman of the Audit Committee. Mr. Panda attended the Audit Committee Meeting for the first time on 14th September, 2017.

*Mr. Pareswar Panda resigned from Audit Committee and the committee was re- constituted by the board in their meeting held on 11th December, 2017 and Mrs. Jahnabi Deo was appointed as Member of the Audit Committee. Mrs. Jahnabi Deo attended the Audit Committee Meeting for the first time 12th February, 2018.

5. Nomination and Remuneration Committee Meeting:

i) Terms of reference:

This Committee shall identify the persons, who are qualified to become Directors of the Company (including independent directors) / who may be appointed in Senior Management in accordance with the criteria lay down, recommend to the Board their appointment and removal and also shall carry out evaluation of every director's performance. Committee shall also formulate the criteria for determining qualifications, positive attributes, independent of the Directors and recommend to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees in line with the regulatory requirements mandated by the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015 and SEBI (LODR) Amendment Regulations, 2018. The Company Secretary is the Secretary to the Committee. The Minutes of the Nomination and Remuneration Committee Meetings are noted by the Board.

ii) Composition:

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

iii) No. of Meetings held during the year:

During the year the Committee had 4 Meetings i.e. on 27th May, 2017, 9th August, 2017, 11th December, 2017 and 12th February, 2018.

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

During the financial year the Remuneration Committee of the Board comprised or following three Directors out of which two Independent Directors and one is Nominee of State Bank of India in their attendance of each Director during the meetings held in financial year 2017-18 are given below:

Name of the member	Position	No. of Meetings held during the F.Y. 2017-18	No. of meetings Attended during the F.Y. 2017-18
Mr. Swarup Chandra Parija	Chairman	4	4
Mr. Krishna Chandra Raut	Member	4	4
Mrs. Rima Dhawan * (upto 9 th August, 2017)	Member	4 (2 meetings held during the tenure)	2
Mr. Pareswar Panda* (From 11 th December, 2017)	Member	4 (2 meetings held during the tenure)	2

*Mrs. Rima Dhawan resigned from the Nomination and Remuneration Committee and the committee was re-constituted by the board in their meeting held on 9th August, 2017 and Board approved the appointment of Mr. Pareswar Panda as Member/Chairman of the Nomination and Remuneration Committee. Mr. Panda attended the this Committee Meeting for the first time 11th December, 2017.

v) Remuneration to Directors

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

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

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

Details of remuneration paid to Chairman / Managing Director / Whole Time Directors for the year ended 31st March, 2018:

Name of the Director	Position	Salary Per Annum (₹ In Lacs)
Mr. Subash Agarwal	Chairman	33.00
Mr. Rajesh Agarwal	Managing Director	30.00

Note: The above managerial remuneration is subject to the approval of Central Government as per the provisions of third proviso of section II of Part II Schedule V read with sub section (3) of section 197 of The Companies Act, 2013.

vii) Remuneration to Non-Executive Directors:

The Non-Executive Directors of the company are paid remuneration by way of sitting fees only for attending the meetings of the Board of Directors and its Committees. The sitting fees paid to the Non-Executive Directors for attending meetings of Board of Directors is ₹ 40,000 per meeting and for Committee meetings is ₹ 20,000/- per meeting. Beside the sitting fees they are also entitled to reimbursement of expenses for attending the meeting. The Non-Executive Directors of the Company were not paid any other remuneration or commission.

viii) Sitting fee paid to the Non-Executive Directors, for 2017-18 are as detailed below:

Name of the Director	Amount (₹ In Lacs)
Mr. Swarup Chandra Parija	4.80
Mr. Krishna Chandra Raut	4.60
Ms. Rima Dhawan*	2.60
Mr. Pareswar Panda*	2.40
Mrs. Jahnabi Deo*	1.00
Total	15.40

Notes:-

- * Mrs. Rima Dhawan vacated the office of directorship of the Company w.e.f. 27.09.2017.
- * Mr. Pareswar Panda was appointed as Independent Directors of the Company w.e.f. 09.08.2017.
- * Mrs. Jahnabi Deo was appointed as Women Independent Directors of the Company w.e.f. 11.11.2017.

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

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

6. Corporate Social Responsibility Committee (CSR):

i) Terms of reference:

The Committee formulates CSR Policy. The role of the Committee is as under:

- a. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- b. Recommend the amount of expenditure to be incurred on the activities referred in the CSR policy.
- c. Monitor the CSR Policy of the Company and its implementation from time to time.
- d. Such other functions as the Board may deem fit from time to time

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

Name of the member	Position	No. of Meetings held during the FY 2017- 18	No. of meetings Attended during the FY 2017- 18
Mr. Rajesh Agarwal	Chairman	1	1
Mr. Swarup Chandra Parija	Member	1	1
Mr. Pareswar Panda	Member	1 (Nil meeting during the tenure)	Nil

*Mrs. Rima Dhawan resigned from the CSR Committee and the committee was re-constituted by the board in their meeting held on 9th August, 2017 and Board approved the appointment of Mr. Pareswar Panda as Member/Chairman of the CSR Committee.

iii) No. of Meetings held during the year:

During the year the Committee had met once i.e. on 9th August, 2017.

iv) Amount incurred on CSR activities during the year:

Section 135 of the Companies Act, 2013 & Companies (Corporate Social Responsibility Policy) Rules, 2014, (CSR Rules) makes it mandatory for certain companies who fulfill the criteria as mentioned under Sub Section 1 of Section 135 to comply with the provisions of Corporate Social Responsibility and accordingly company had constituted a CSR committee and has also adopted the CSR Policy for the company as approved by the committee.

Since the average of the last three years profit was in negative figures this time i.e. (₹ 320.59) crores loss, company need not to incur any amount towards CSR in the FY 2017-18.

A responsibility statement of the CSR Committee

The CSR Committee has confirmed that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Sd/-
(Chairman CSR Committee)

7. Stakeholders Relationship Committee:

i) Terms of reference:

The Committee focuses primarily on monitoring expeditious redressal of investors / stakeholders grievances and also functions in an efficient manner that all issues / concerns stakeholders are addressed / resolved promptly. It specifically look into the mechanism of redressal of grievances of shareholders, debenture holders and other security holders in line with the regulatory requirements mandated by the Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations, 2015.

ii) Composition of the Committee:

The Committee consists of 3 Non-Executive Directors.

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

During the year the Committee had 4 Meetings i.e. on 27th May, 2017, 9th August, 2017, 11th December, 2017 and 12th February, 2018.

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

Name of the member	Position	No. of Meetings held	No. of meetings attend
Mr. Swarup Chandra Parija	Chairman	4	4
Mr. Krishna Chandra Raut	Member	4	4
Mrs. Rima Dhawan * (upto 9 th August, 2017)	Member	4 (2 meetings held during the tenure)	2
Mr. Pareswar Panda* (From 11 th December, 2017)		4 (2 meetings held during the tenure)	2

*Mrs. Rima Dhawan resigned from the Shareholders Relationship Committee and the committee was re-constituted by the board in their meeting held on 9th August, 2017 and Board approved the appointment of Mr. Pareswar Panda as Member/Chairman of the stakeholder relationship Committee. Mr. Panda attended this Committee Meeting for the first time 11th December, 2017.

(v) Name and Designation of Compliance Officer:

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

Shareholder's Services:

Sl. No.	Nature of Complaint	FY - 2017-18		FY - 2016-17	
		Received	Answered	Received	Answered
1	All kind of Shareholders Complaint	NIL	NIL	NIL	NIL

8. Risk Management Committee:

In accordance with the provisions of the Listing Agreement, the Board of Directors of the Company at its Meeting held on 12th February, 2015 has constituted a Risk Management Committee. This Committee comprises 3 Members i.e. Mr. Rajesh Agarwal- Managing Director (Chairman of the committee), Mr. S. K. Pattanaik- Director (CFO) (Member of the Committee) and Mr. Sunil Agarwal- Chief Executive Officer (Member of the Committee).

This Committee has been delegated the authority by the Board to review and monitor the implementation of the risk management policy of the Company. No meeting of this Committee was mandatorily required nor held during the financial year i.e. F.Y. - 2017-18.

9. Other Committee:

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

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

Year	Date	Time	Location	Special Business-Ordinary/ Special Resolution
2014-15	29-09-2015	11.00 A.M.	Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar – 751 010.	Special Business & Ordinary Resolutions. i) Waiver of recovery of excess managerial remuneration paid to Mr. Soumendra Keshari Pattanaik, Whole-time Director (Director Finance) of the company for the period from 1 st April, 2011 till 31 st March, 2014. ii) Re- appointment of Mr. Swarup Chandra Parija as an Independent director. iii) Revision of Remuneration of Mr. Anil Agarwal (Sr. Vice President & COO) iv) Revision of Remuneration of Mr. Sunil Agarwal (President and CEO) v) Reclassification and alteration of authorized share capital and change in capital clause of Memorandum of Association:
2015-16	28-09-2016	11.00 A.M.	Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar – 751 010.	Special Business and Ordinary Resolution. 1. Ratification of Remuneration of Cost Auditor

Year	Date	Time	Location	Special Business-Ordinary/ Special Resolution
2016-17	25-09-2017	11.00 A.M	Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar – 751 010.	Special Business and Ordinary Resolution. i) Ratification of Remuneration to Cost Auditor for the financial year 2017-18 ii) Appointment of Mr. Pareswar Panda as Independent Director. iii) Re-appointment of Mr.Subash Agarwal, Executive Chairman. iv) Service of Documents. Special Business & Special Resolutions v) Re-appointment of Mrs. Rima Dhawan, Women/Independent Director

i) Extraordinary General Meeting

No EGM was conducted during the year under review.

ii) Postal Ballot

No Postal Ballot was conducted during the year under review

11. DISCLOSURES

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 '50', 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. The Company has formulated a policy on Related Party Transactions and the said Policy is available on the website of the Company.

b) Accounting treatment in preparation of financial statements

The financial statements of the Company have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") notified under the Companies (Accounting Standards) Rules, 2015.

c) Code for Prevention of Insider Trading Practices

In January 2015, SEBI notified the SEBI (Prohibition of Insider Trading) Regulations, 2015 which came into effect from May 15, 2015. Pursuant thereto, the Company has formulated and adopted a 'Code of Practices and procedure for fair Discloser of Unpublished Price Sensitive Information' (UPSI) for Prevention of Insider Trading. The code for Prevention of Insider Trading" and the "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" was adopted & approved by the board at its board meeting dated 12th May, 2015 and took effect w.e.f 15th May, 2015. It also prohibits the purchase or sale of Company's securities by the Directors, designated person and connected persons, while in possession of unpublished price sensitive information in relation to the Company and during the period when the trading window is closed. Ms. Alka Khemka, Company Secretary, has been designated as the Compliance Officer for this Code.

d) Whistle blower policy of the company

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

12. Means of Communication.

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

13. SEBI Complaints Redressal System (SCORES):

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

14. Reconciliation of Share Capital Audit:

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

15. Green Initiative in the Corporate Governance:

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

16. Compliance:**(a) (i) Details of non-compliance, if any**

There is no Non-Compliance of any requirement of Corporate Governance Report of sub para (2) to (10) of the Part C of Schedule V of the SEBI Listing Regulations.

(ii) Compliance with mandatory requirements

The Company has complied with all the mandatory items of the SEBI (LODR) Regulations, 2015.

(iii) Compliance with the Discretionary

Requirements under SEBI (LODR) Regulations, 2015 Adoption of discretionary requirements of SEBI (LODR) Regulations, 2015 is being reviewed by the Company from time to time.

iv) Auditors' Certificate on Corporate Governance

The Company has obtained a Certificate from its Statutory Auditors regarding compliance of the conditions of Corporate governance, as stipulated in Regulation 34(3) and PART E of Schedule II of SEBI Listing Regulations, which together with this Report on Corporate Governance is annexed to the Directors' Report and shall be sent to all the members of the Company and the Stock Exchanges along with the Annual Report of the Company.

17. Investor safeguards and other information:**i) Dematerialization of shares**

Members are requested to convert their physical holdings to demat/electronic form through any of the registered Depository Participants (DPs) to avoid the hassles involved in dealing in physical shares such as possibility of loss, mutilation, etc. and also to ensure safe and speedy transaction in respect of the shares held.

ii) Update address / email address / bank details

To receive all communications/corporate actions promptly, members holding shares in dematerialized form are requested to please update their address/email address/bank details with the respective DPs and in case of physical shares, the updated details have to be intimated to the Registrar & Share Transfer Agents.

iii) Register Nomination(s)

Members holding shares in physical form, are requested to register the name of their nominee(s), who shall succeed the member as the beneficiary of their shares and in order to avail this nomination facility, they may obtain/submit the prescribed form from the Registrars & Share Transfer Agents. Members holding shares in dematerialized form are requested to register their nominations directly with their respective DPs.

iv) Dealing of Securities With Registered Intermediaries

In respect of dealings in securities, members must ensure that they deal only with SEBI registered intermediaries and must obtain a valid contract note / confirmation memo from the broker/sub-broker within 24 hours of execution of the trade(s) and it should be ensured that the contract note/confirmation memo contains details about order no., trade no., trade time, quantity, price and brokerage.

v) E-voting facilities to members

In compliance with the 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 the facility to exercise their right to vote at the 18th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL).

vi) Consolidate multiple folios (in respect of physical shareholding)

Members are requested to consolidate their shareholdings under multiple folios to eliminate the receipt of multiple communications and this would ensure that future correspondence/corporate benefits could then be sent to the consolidated folio.

18. General Shareholder's Information:

Forthcoming Annual General Meeting

AGM date	: 27 th September, 2018
Day	: Thursday
Time	: 11.00 A.M.
Venue	: At the Regd. Office of the Company At Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar –751 010, Odisha, India.
Financial Year:	: 2017-18
Book Closure Date	: Tuesday, 11 th September, 2018 to Friday 14 th September, 2018 (both days inclusive)
Dividend payment date:	: No dividend was recommended
Listing on Stock Exchanges:	A) The Bombay Stock Exchange Limited B) National Stock Exchange of India Ltd
Stock Code	: BSE : 533163 NSE : ARSSINFRA- EQ
ISIN	: INE267I01010 (NSDL & CDSL)
The Company has paid listing fees for the year 2018-19 to both the above stock exchanges	
Corporate Identification Number:	: L14103OR2000PLC006230

Market Price Data

High Low and trade volumes each month & compared to closing respective index during the financial year 2017-18 of the company at BSE and NSE:

Sl. No.	Month & Year	Bombay Stock Exchange Ltd			National Stock Exchange of India Ltd		
		High Price (In ₹)	Low Price (In ₹)	No. of Share Traded	High Price (In ₹)	Low Price (In ₹)	No. of Share Traded
1	Apr-17	86.25	68.80	3,841,656	86.35	68.45	10,347,130
2	May-17	81.75	62.50	1,314,738	81.75	62.10	4,161,097
3	Jun-17	70.95	63.80	969,330	70.80	64.00	2,782,165
4	Jul-17	71.00	60.00	984,507	70.95	55.55	2,733,992
5	Aug-17	64.05	58.25	148,920	64.50	58.00	352,737
6	Sep-17	56.00	38.75	778,697	55.40	38.30	1,734,595
7	Oct-17	54.40	44.55	1,094,737	54.50	45.00	3,460,638
8	Nov-17	66.90	45.00	1,350,145	66.90	48.05	5,097,593

Sl. No.	Month & Year	Bombay Stock Exchange Ltd			National Stock Exchange of India Ltd		
		High Price (In ₹)	Low Price (In ₹)	No. of Share Traded	High Price (In ₹)	Low Price (In ₹)	No. of Share Traded
9	Dec-17	75.70	55.65	1,221,968	75.80	56.00	4,805,972
10	Jan-18	61.95	49.20	194,480	62.85	49.60	459,648
11	Feb-18	57.00	45.30	146,157	56.70	45.05	360,688
12	Mar-18	48.80	37.50	337,853	49.50	35.85	512,142

Registrar and Transfer Agents

Bigshare Services Private Limited

1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road,

Marol, Andheri East, Mumbai – 400059 Maharashtra

Tel: + 91 22-62638261, Fax: + 91 22-62638299

e-mail ids: marketing@bigshareonline.com, investor@bigshareonline.com

Website:www.bigshareonline.com

Share Transfer System

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

Particulars	2017-18 (As on 31 st March, 2018)	2016-17 (As on 31 st March, 2017)
Shares Transferred	NIL	NIL
Total No. of shares	2,27,37,966	1,48,43,230
% on Share Capital	NIL	NIL

Shareholding Pattern as on 31st March, 2018

SL. No.	CATEGORY	FOLIOS	%AGE	SHARES	%AGE
1	Corporate Bodies	303	1.53%	2,090,671	9.19%
2	Corporate Bodies NBFC	1	0.01%	8,700	0.04%
3	Non Nationalised Banks	1	0.01%	93,000	0.41%
4	Non Resident Indians	155	0.79%	216,677	0.95%
5	Promoters	23	0.12%	10,619,468	46.70%
6	Public	19,167	97.09%	9,555,412	42.02%
7	Trust	1	0.01%	15	0.00%
8	Others	91	0.46%	154,023	0.68%
	TOTAL	19,742	100.00%	22,737,966	100.00%

Top Ten Shareholders of the Company as on 31st March, 2018

SR. No.	SHAREHOLDER'S NAME	CATEGORY	SHARES	%
1	Sidhant Financial Services Ltd	Promoter Group	3,393,031	14.92%
2	ARSS Developers Ltd.	Promoter Group	3,183,480	14.00%
3	Mr. Subash Agarwal	Promoter	1,381,608	6.08%
4	Mr. Mohanlal Agarwal	Promoter	761,750	3.35%
5	Mr. Rajesh Agarwal	Promoter	538,745	2.37%
6	Tao Builders And Developers Pvt. Ltd.	Corporate Bodies	343,000	1.51%
7	Mr. Anil Agarwal	Promoter	339,821	1.49%
8	Mr. Sunil Agarwal	Promoter	278,647	1.23%
9	Mr. Gopi Kishan Malani	Public	219,292	0.96%
10	Mrs. Sabita Agarwal	Promoter Group	217,383	0.96%
	TOTAL		10,656,757	46.87%

Distribution Scheduled of shareholding as on 31st March, 2018

(₹ in ₹)

Sl. No	Range (In ₹)	As on 31 st March, 2018				As on 31 st March, 2017			
		Folios	%age	Shares Amount (In ₹)	%age	Folios	%age	Shares Amount (In ₹)	%age
1	Up to 5000	16,822	85.21%	20,355,100	8.95%	18,074	85.45%	21,354,550	14.39%
2	5001-10000	1,386	7.02%	11,271,300	4.96%	1,496	7.07%	12,181,860	8.21%
3	10001-20000	739	3.74%	11,328,920	4.98%	757	3.58%	11,530,700	7.77%
4	20001-30000	247	1.25%	6,343,090	2.79%	273	1.29%	7,001,050	4.72%
5	30001-40000	110	0.56%	3,886,990	1.71%	114	0.54%	4,055,360	2.73%
6	40001-50000	118	0.60%	5,518,610	2.43%	118	0.56%	5,533,570	3.73%
7	50001-100000	152	0.77%	11,087,650	4.88%	163	0.77%	11,606,000	7.82%
8	100001 and above	168	0.85%	157,588,000	69.31%	157	0.74%	75,169,210	50.64%
	TOTAL	19,742	100.00%	227,379,660	100.00%	21,152	100.00%	148,432,300	100.00%

Dematerialization of Shares

Physical / NSDL / CDSL / Summary Report as on 31st March, 2018, representing 65.22% of total Equity Share Capital of the Company were held in dematerialized form.

Mode of Holding	As on 31 st March, 2018		As on 31 st March, 2017	
	No. of Shares	% to Equity	No. of Shares	% to Equity
NSDL	88,29,979	38.83%	96,80,153	65.22%
CDSL	60,00,024	26.39%	51,49,850	34.69%
PHYSICAL	79,07,963	34.78%	13,227	0.09%
TOTAL	22,737,966	100.00%	1,48,43,230	100.00%

* 78,94,736 Equity Shares (out of 79,07,963 Equity Shares shown in Physical mode of holding as on 31.03.2018) were issued to promoters and their associates on 9th August, 2017 on preferential basis under CDR scheme. Due to pending requisite approvals from the Stock exchanges for Dematerialization, shares are shown as in physical mode as on 31.03.2018. Further, the company had obtained final listing and trading permission from the stock exchanges (BSE & NSE) on 22th June, 2018 for 78,94,736 for final Listing & Trading of these Equity Shares and these shares were taken into dematerialization by NSDL & CDSL.

Address for Correspondence:

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

DECLARATION BY THE MANAGING DIRECTOR REGULATION 34(3) PART D OF THE SEBI LISTING REGULATION

To,
The Members,
ARSS Infrastructure Projects Limited,
Bhubaneswar.

I hereby declare that all the Directors and the designated employees in the senior management of the Company have affirmed compliance with their respective codes for the financial year ended March 31, 2018.

Place: Bhubaneswar

Date: 30.05.2018

(Rajesh Agarwal)

Managing Director

For and on behalf of the Board of Directors

Place: Bhubaneswar

Date: 30.05.2018

(Subash Agarwal)

Chairman

CEO/CFO CERTIFICATION

To,
The Board of Directors,
ARSS Infrastructure Projects Limited,
Mancheswar, Bhubaneswar,
Odisha, India.

**Sub: Compliance Certificate Under Regulation 17(8) of
SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015**

We, Rajesh Agarwal, Managing Director and S. K. Pattanaik, Chief Financial Officer of ARSS Infrastructure Projects Limited hereby declare, confirm and certify as under in respect of Annual Accounts for the year ended 31st March, 2018:

- A. We have reviewed financial statements and the cash flow statement of ARSS Infrastructure Projects Limited for the year ended on 31st March, 2018 and that to the best of their knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee:
- (1) significant changes in internal control over financial reporting during the year;
 - (2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and.
 - (3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

For **ARSS Infrastructure Projects Limited**

(Rajesh Agarwal)
Managing Director

Place: Bhubaneswar

Date: 30.05.2018

For **ARSS Infrastructure Projects Limited**

(S. K. Pattanaik)
Chief Financial Officer

AUDITORS' CERTIFICATE ON COMPLIANCE WITH CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members,
ARSS Infrastructure Projects Limited,
Bhubaneswar, Odisha.

We have examined the compliance of conditions of Corporate Governance by ARSS Infrastructure Projects Limited (the Company) for the year ended on March 31, 2018, as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the SEBI Regulations').

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 the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.

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 and the SEBI Regulations.

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 Ajay B Garg
Chartered Accountants

(CA Ajay Garg)
Proprietor
Membership No: 32528

Place: Mumbai

Date: 02.08.2018

Form No. MGT-9 EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2018

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

I. REGISTRATION AND OTHER DETAILS:

(i)	CIN	L14103OR2000PLC006230
(ii)	Registration Date	17/05/2000
(iii)	Name of the Company	ARSS Infrastructure Projects Limited
(iv)	Category / Sub-Category of the Company	Company Having Share Capital
(v)	Address of the Registered office and contact details	Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar-751 010, Odisha, India.
(vi)	Whether listed company	Yes
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Bigshare Services Private Limited 1 st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai-400059, Maharashtra.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Construction related	99532	100 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of The Company	CIN/GLN	Holding/ Subsidiary / Associate	% of Shares held	Applicable Section
1	ARSS Damoh-Hirapur Tolls Private limited Address: Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar-751010.	U45201OR2011PTC013524	Subsidiary Company	99.82%	2 (87)
2	ARSS Developers Limited Address: Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar-751010.	U45209OR2007PLC009201	Associate Company	38.41%	2 (6)

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	2724732	0	2724732	18.36	2724732	1318225	4042957	17.78	(0.58)
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	6576511	6576511	28.92	28.92
d) Bodies Corp.	0	0	0	0	0	0	0	0.00	0.00
e) Banks / FI	0	0	0	0	0	0	0	0.00	0.00
f) Any other	0	0	0	0	0	0	0	0	0
Sub Total A (1)	2724732	-	2724732	18.36	2724732	7894736	10619468	46.70	28.34
(2) Foreign									
a) NRIs-Individuals	0	0	0	0.00	0	0	0	0	0.00
b) Other-Individuals	0	0	0	0.00	0	0	0	0	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0	0.00
e) Any Other	0	0	0	0.00	0	0	0	0	0.00
Sub Total A (2)	0	0	0	0.00	0	0	0	0	0.00
Total shareholding of Promoter (A) = (A) (1)+(A)(2)	2724732	0	2724732	18.36	2724732	7894736	10619468	46.70	28.34
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0	0.00
b) Venture Capital Funds	0	0	0	0.00					0.00
c) Alternate Investment Funds	0	0	0	0.00	0	0	0	0	0.00
d) Banks / Financial Institutions	86153	0	86153	0.58	93000	0	93000	0.41	(0.17)
e) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
f) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
g) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
h) FIs	0	0	0	0.00	0	0	0	0.00	0.00
i) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
j) Others (specify)	0	0	0	0	0	0	0	0.00	0.00
Sub-total (B)(1):-	86153	0	86153	0.58	93000	0	93000	0.41	(0.17)
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	2766461	0	2766461	18.64	2090671	0	2090671	9.19	(9.44)
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	7328531	13227	7341758	49.46	7196414	13227	7209641	31.71	(17.75)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1455824	0	1455824	9.81	2345771	0	2345771	10.32	0.51
NBFCs registered with RBI	12617	0	12617	0.09	8700	0	8700	0.04	(0.05)
c) Others (specify)									
i) Non-Resident Indians	234504	0	234504	1.58	216677	0	216677	0.95	(0.63)
ii) Overseas Corporate Bodies	0	0	0	0.00	0	0	0	0.00	0.00
iii) Foreign Nationals	0	0	0	0.00	0	0	0	0.00	0.00
iv) Clearing Members	221166	0	221166	1.49	154023	0	154023	0.68	(0.81)
v) Trusts	15	0	15	0.0001	15	0	15	0.0001	0.00
vi) Foreign Bodies	0	0	0	0.0	0	0	0	0	0
Sub-total (B)(2):-	12019118	13227	12032345	81.06	12012271	13227	12025498	52.89	(28.17)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	12105271	13227	12118498	81.64	12105271	13227	12118498	53.30	(28.34)
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	14830003	13227	14843230	100.00	14830003	7907963	22737966	100.00	0

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2017)			Share holding at the end of the year (31.03.2018)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr. Mohanlal Agarwal	761,750	5.13	100.00	761,750	3.35	100.00	(1.78)
2	Mr. Subash Agarwal	1,173,500	7.91	100.00	1,381,608	6.08	84.94	(1.83)
3	Mr. Anil agarwal	290,000	1.95	100.00	339,821	1.49	85.34	(0.46)
4	Mr. Rajesh Agarwal	356,000	2.40	100.00	538,745	2.37	66.08	(0.03)
5	Mr. Sunil Agarwal	65,398	0.44	100.00	278,647	1.23	23.47	0.78
6	Mrs. Ramdulari Agarwal	9	0.0001	0.00	184,483	0.81	-	0.81
7	Mrs. Sanju Agarwal	20	0.0001	0.00	118,704	0.52	-	0.52
8	Mrs. Seema Agarwal	20	0.0001	0.00	20,020	0.09	-	0.09
9	Mrs. Sangita Agarwal	20	0.0001	0.00	123,796	0.54	-	0.54
10	Mrs. Sabita Agarwal	15	0.00	0.00	217,383	0.96	-	0.96
11	Mr. Ramesh Prasad Agrawal	3,000	0.02	0.00	3,000	0.01	-	(0.01)
12	Mrs. Shilpa Agarwal	75,000	0.51	0.00	75,000	0.33	-	(0.18)
13	ARSS Developers Ltd	-	-	0.00	3,183,480	14.00	-	14.00
14	Sidhant Financial Services Ltd	-	-	0.00	3,393,031	14.92	-	14.92
TOTAL		2,724,732	18.36	18.36	10,619,468	46.70	11.64	28.34

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

Sr. No.		Shareholding at the beginning of the year (01.04.2017)		Cumulative Shareholding during the year (31.03.2018)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year (01.04.2017)	27,24,732	18.36	1,06,19,468	46.70
2	78,94,736 equity share were allotted on 09.08.2017 preferential Basis in terms of Corporate Debt Restructuring (CDR) scheme.	78,94,736	34.72 (7894736 *100/22737966)	-	-
	At the end of the year (31.03.2018)	1,06,19,468	46.70	1,06,19,468	46.70

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name of Shareholders	Shareholding at the beginning of the year (01.04.2017)		Shareholding at the end of the year (31.03.2018)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Tao Builders And Developers Pvt. Ltd.	343,000	2.31%	343,000	1.51%
2	Mr. Gopi Kishan Malani	271,000	1.83%	219,292	0.96%
3	Motilal Oswal Securities Ltd	126,697	0.85%	212,180	0.93%
4	Bombay Cable co. Pvt. Ltd.	200,000	1.35%	200,000	0.88%
5	Greshma Finvest Private Limited	165,070	1.11%	177,070	0.78%
6	Mr. Viraf Dinshaw Mehta	-	0.00%	152,481	0.67%
7	Mr. Raof Razak Dhanani	145,500	0.98%	142,500	0.63%
8	Mr. Anand Vijay Sarada	111,666	0.75%	112,000	0.49%
9	Mentor Capital Limited	103,253	0.70%	103,253	0.45%
10	Axis Bank Limited	33,453	0.23%	93,000	0.41%
	TOTAL	1,499,639	10.10%	1,754,776	7.72%

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year (01.04.2017)		Shareholding at the end of the year (31.03.2018)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Directors				
1	Mr. Subash Agarwal	11,73,500	7.91%	13,81,608	6.08%
2	Mr. Rajesh Agarwal	3,56,000	2.40%	5,38,745	2.37%
3	Mr. Swarup Chandra Parija	0	0	0	0
4	Mr. Krishna Chandra Raut	0	0	0	0
5	Mr. Pareswar Panda	0	0	0	0
6	Mrs. Jahnabi Deo	0	0	0	0
	Key Managerial Personnel				
1	Mr. Rajesh Agarwal	3,56,000	2.40%	5,38,745	2.37%
2	Mr. Soumendra Keshari Pattanaik	120	0.0008%	120	0.0005%
3	Ms. Alka Khemka	300	0.0020%	300	0.0013%

V. INDEBTEDNESS

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

(₹ In Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2017)				
i) Principal Amount	162,380.95	6,443.04	-	168,823.99
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	162,380.95	6,443.04	-	168,823.99
Change in Indebtedness during the financial year				
* Addition	52,417.77	401.80		52,819.57
* Reduction	48,609.56	4,902.91		53,512.46
Net Change	3,808.21	(4,501.11)	-	(692.89)
Indebtedness at the end of the financial year (31.03.2018)				
i) Principal Amount	166,189.16	1,941.94	-	168,131.10
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	166,189.16	1,941.94	-	168,131.10

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ In Lacs)

Sr. No.	Particulars of Remuneration	Name of MD, WTD OR MANAGER		Total Amount (₹ In Lacs)
		Mr. Subash Agarwal (Executive Chairman)	Mr. Rajesh Agarwal (Managing Director)	
1	Gross salary	33.00	30.00	63.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	33.00	30.00	63.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	Commission - as % of profit - others, specify...	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL
	Total (A)	33.00	30.00	63.00
	Ceiling as per the Act	124.13 (₹ 120 lakhs plus ₹ 4.13 lakhs i.e 0.01% of the effective capital in excess of ₹ 250 crores)	124.13 (₹ 120 lakhs plus ₹ 4.13 lakhs i.e 0.01% of the effective capital in excess of ₹ 250 crores)	248.26
		The above paid managerial remuneration is subject to the approval of Central Government as per the provisions of third proviso of section II of Part II Schedule V read with sub section (3) of section 197 of The Companies Act, 2013.		

B. Remuneration to other directors:

(₹ In Lacs)

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount (₹ In Lacs)
		Mr. S.C. Parija	Mrs. Rima Dhawan	Mr. Pareswar Panda	Mrs. Jahnabi Deo	Mr. K.C. Rout	
1	Independent Directors						
	Fee for attending board committee meetings	4.80	2.60	2.40	1.00	0	10.80
	Commission	-	-	-	-	0	-
	Others, please specify (Incidental exp. for attending meetings)	0.25	0.15	0.15	0.10	0	0.65
	Total (1)	5.05	2.75	2.55	1.10	0	11.45
2	Other Non-Executive Directors (ND)						-
	Fee for attending board committee meetings	-	-	-	-	4.60	4.60
	Commission	-	-	-	-	Nil	-
	Others, please specify (Incidental exp. for attending meetings)	-	-	-	-	0.25	0.25
	Total (2)	-	-	-	-	4.85	4.85
	Total (B)=(1+2)	5.05	2.75	2.55	1.10	4.85	16.30
	Total Managerial Remuneration	-	-	-	-	-	NIL

C. Remuneration to Key Managerial Personnel other than MD/Manager/W.T.D

Sr. No	Particular Remuneration	Key Managerial Personnel		
		Mr. S.K. Pattanaik (Chief Financial Officer)	Ms. Alka Khemka (Company Secretary)	Total (₹ In Lacs)
1	Gross Salary			
a	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	30.00	9.00	39.00
b	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	
c	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	
2	Stock Option	-	-	
3	Sweat Equity	-	-	
4	Commission as % of profit - others, specify	-	-	
5	Others, please specify	-	-	
	TOTAL	30.00	9.00	39.00

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Sections of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give details)
A. COMPANY: ARSS INFRASTRUCTURE PROJECTS LIMITED					
Penalty	NIL	-	NIL	NIL	N.A
Punishment	NIL	-	NIL	NIL	N.A
Compounding	Section 198 read with 309 schedule XIII, Section 256, Section 138, Section 303(1)	Show Cause Notices received from the office of Regional Director, Eastern Region and Registrar of Companies at Cuttack Pursuant to the inspection u/s 209(A) Inspection.	22,500	RD	N.A
B. DIRECTOR: MR. RAJEH AGARWAL (MANAGING DIRECTOR)					
Penalty	NIL	-	NIL	NIL	N.A
Punishment	NIL	-	NIL	NIL	N.A
Compounding	Section 198 read with 309 schedule XIII, Section 256, Section 138, Section 303(1)	Show Cause Notices received from the office of Regional Director, Eastern Region and Registrar of Companies at Cuttack Pursuant to the inspection u/s 209(A) Inspection.	14,500	RD	N.A
B. DIRECTOR: MR. SUBASH AGARWAL (CHAIRMAN, WTD)					
Penalty	NIL	-	NIL	NIL	N.A
Punishment	NIL	-	NIL	NIL	N.A
Compounding	Section 198 read with 309 schedule XIII, Section 256, Section 138, Section 303(1)	Show Cause Notices received from the office of Regional Director, Eastern Region and Registrar of Companies at Cuttack Pursuant to the inspection u/s 209(A) Inspection.	14,500	RD	N.A

B. OTHER OFFICERS IN DEFAULT: MR. SOUMENDRA KESHARI PATTANAIAK(EX.DIRECTOR (FINANCE))					
Penalty	NIL	-	NIL	NIL	N.A
Punishment	NIL	-	NIL	NIL	N.A
Compounding	Section 198 read with 309 schedule XIII, Section 256, Section 138, Section 303(1)	Show Cause Notices received from the office of Regional Director, Eastern Region and Registrar of Companies at Cuttack Pursuant to the inspection u/s 209(A) Inspection.	14,500	RD	N.A
C. OTHER OFFICERS IN DEFAULT: MR. BIBHUTI BHUSAN SAHOO (EX. COMPANY SECRETARY)					
Penalty	NIL	-	NIL	NIL	N.A
Punishment	NIL	-	NIL	NIL	N.A
Compounding	Section 256	Show Cause Notices received from the office of Regional Director, Eastern Region and Registrar of Companies at Cuttack Pursuant to the inspection u/s 209(A) Inspection.	7,500	RD	N.A
C. OTHER OFFICERS IN DEFAULT: MR. HARAPRASAD RAUT (COMPANY SECRETARY)					
Penalty	NIL	-	NIL	NIL	N.A
Punishment	NIL	-	NIL	NIL	N.A
Compounding	Section 138	Show Cause Notices received from the office of Regional Director, Eastern Region and Registrar of Companies at Cuttack Pursuant to the inspection u/s 209(A) Inspection.	2,500	RD	N.A
C. OTHER OFFICERS IN DEFAULT: MR. SUSHANTA PRADHAN (EX. COMPANY SECRETARY)					
Penalty	NIL	-	NIL	NIL	N.A
Punishment	NIL	-	NIL	NIL	N.A
Compounding	Section 198 read with 309 schedule XIII, Section 138, Section 303(1)	Show Cause Notices received from the office of Regional Director, Eastern Region and Registrar of Companies at Cuttack Pursuant to the inspection u/s 209(A) Inspection.	7,000	RD	N.A
SUB-TOTAL			83,000		

Form No. MR-3**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 2017- 18**

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

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 2017- 18**

**To,
The Members,
ARSS Infrastructure Projects Limited,
Bhubaneswar, Odisha**

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

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agencies and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the Audit period covering the financial year ended on 31st March 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2018 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - 1) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - 2) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - 3) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - 4) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - 5) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - 6) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - 7) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable during the period under review)
 - 8) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;(Not Applicable during the period under review) and
 - 9) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- vi. The Contract Labour (Regulation and Abolition) Act, 1970 & Employee's Compensation Act, 1923 which is applicable specifically to the Company for the purpose of reporting under this point as per the Management Representation Letter issued by the Company of even date.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreement under SEBI (LODR) Regulations, 2015 entered into by the Company with Bombay Stock Exchange Limited on 2nd day of December, 2015 & National Stock Exchange Limited on 2nd day of December, 2015.

In respect of Fiscal Laws, we have relied on the Audit Reports made available during our audit for us to have the satisfaction that the Company has complied with the provisions of such laws subject to the Qualification made there under.

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

Whereas in terms of the Regulation 33(3)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, regarding intimation to the stock exchange whether or not listed entity opts to additionally submit quarterly/year-to-date consolidated financial results in the first quarter of the financial year is not complied with.

We further report that, the Company has redeemed the earlier existing Preference Shares of ₹ 15,00,00,000/- (Rupees Fifteen Crore) divided into 1,50,00,000 (One Crore Fifty Lakhs) shares of ₹ 10/- (Rupees Ten) each through in-house redemption. However no relevant e-Form SH-7 has been filed by the Company for such redemption.

We further report that, the Company has allotted 78,94,736 equity shares of face value of ₹ 10/- each at a premium of ₹ 66/- each aggregating to ₹ 60,00,00,000/- (Rupees Sixty Crores Only) under Corporate Debt Restructuring Scheme on Dt. 09/08/2017. The Company has duly made the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 compliances and has filed Form PAS-3 in this regard.

We further report that, the managerial remuneration of Mr. Subash Agarwal & Mr. Rajesh Agarwal, Directors of the Company will be effective only after the approval of Central Government. The Company has already applied to the Central Government for Director's Remuneration which is pending for approval.

We further report that, there are various pending legal cases by and against the Company, the impact & contingency of which are not reasonably ascertained in our Report.

Further, the statutory dues for Provident Fund, ESI, VAT, Entry Tax, Service Tax and TDS have been regularly deposited with few delays in some cases during the financial year.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive, Woman and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, there being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;

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

All decisions at Board meetings are generally carried unanimously and dissenting members' views, if any are captured and duly recorded in the minutes Book.

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

We further report that, during the Audit Period, most of the specific events/actions/matters/compliances having a major bearing on the company's affairs, reference shall be taken to the Statutory Auditor's Report & Limited Review Report issued during the Audit Period in pursuance of all applicable laws, rules, regulations, guidelines, standards etc.

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

Place :- Bhubaneswar
Date :- 02/08/2018

For Deba Mohapatra & Co

Anchal Agarwal, Partner
Company Secretary in practice
C.P. No:-10548

To,
The Members,
ARSS Infrastructure Projects Limited,
Bhubaneswar, Odisha

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

1. Maintenance of Secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our Audit.
2. We have followed the Audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures only.

The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Bhubaneswar
Date : 02/08/2018

For Deba Mohapatra & Co

Anchal Agarwal, Partner
Company Secretary in practice
C.P. No:-10548

FORM AOC-2

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

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso for the FY 2017-18 is given below:

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

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

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

(₹ In Crores)

Sl. No.	Particulars	Details			
		Shivam Condev Pvt. Ltd. (Director's Relative)			
(a)	Name (s) of the related party & nature of relationship	Shivam Condev Pvt. Ltd. (Director's Relative)			
(b)	Nature of contracts/arrangements/transaction	Material Sold	House Rent	Consultancy	Sale of Asset
(c)	Duration of the contracts/arrangements/transaction	Ongoing	Ongoing	Ongoing	one time
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	47.97	0.14	0.04	2.15
(e)	Date of approval by the Members/board	11 th February, 2017			
(f)	Amount paid as advance, if any (₹ In Crores)	Nil	Nil	Nil	Nil

(b). Details of contracts or arrangements or transactions at Arm's length basis with Joint Ventures.**(₹ In Crores)**

Sl. No.	Particulars	Details		
		ARSS- GVR JV	Atlanta-ARSS JV	ARSS- BMS JV
(a)	Name (s) of the related party & nature of relationship	ARSS- GVR JV	Atlanta-ARSS JV	ARSS- BMS JV
(b)	Nature of contracts/arrangements/transaction	Sub contract received	Sub contract received	Sub contract received
(c)	Duration of the contracts/arrangements/transaction	Ongoing	Ongoing	Ongoing
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	0.95	19.84	0.16
(e)	Date of approval by the Members/board)	11 th February, 2017	11 th February, 2017	11 th February, 2017
(f)	Amount paid as advance, if any (₹ In Crores)	Nil	Nil	Nil

(c). Details of Remuneration to Directors / their relatives (at place of profit)**(₹ in Crores)**

Sl. No.	Particulars	Details			
		Mr. Subash Agarwal (Chairman)	Mr. Rajesh Agarwal (Managing Director)	Mr. Anil Agarwal (Sr. Vice President & COO)	Mr. Sunil Agarwal (President & CEO)
(a)	Name (s) of the related party & nature of relationship	Mr. Subash Agarwal (Chairman)	Mr. Rajesh Agarwal (Managing Director)	Mr. Anil Agarwal (Sr. Vice President & COO)	Mr. Sunil Agarwal (President & CEO)
(b)	Nature of contracts/arrangements/transaction	Remuneration	Remuneration	Remuneration	Remuneration
(c)	Duration of the contracts/arrangements/transaction	Upto 15 th August, 2018	Upto 31 st March, 2021	Ongoing	Ongoing
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	0.33 (plus up to 4% commission in the profit of the current financial year)	0.30 (plus up to 4% commission in the profit of the current financial year)	0.42	0.42
(e)	Date of approval by the Members (ratified by the board)	29 th September, 2015	29 th September, 2015	29 th September, 2015	29 th September, 2015
(f)	Amount paid as advance, if any (₹ In Lacs)	Nil	Nil	Nil	Nil

Independent Auditor's Report

To
The Members of
M/s. ARSS Infrastructure Projects Limited
CIN : L14103OR2000PLC006230
Plot-no-38, Sector-A, Zone-D
Mancheswar Industrial Estate
Bhubaneswar-751 010, Odisha.

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **ARSS Infrastructure Projects Limited** ('the Company'), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS Financial Statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Basis for Qualified Opinion

- a) In the absence of audited books of accounts of Balaji-ARSS JV, ARSS-MVPL JV, ARSS-SIPS JV, ARSS-BMS JV, discrepancies, if any, between the said accounts with that of the Company is not ascertainable.
- b) In absence of relevant records, Contract-wise surplus/loss has neither been ascertained nor recognized in compliance with Ind AS-115 'Revenue from contract with customers'.
- c) The company has overdue accumulated secured debts amounting to ₹1491.49 Crores subject to reconciliation interest thereon from 01.04.2016. Banks has classified it as NPA. No interest has been charged on these secured debts to the Profit & Loss account resulting in understatement of loss to that extent and understatement of liability. Secured lenders have served notices on various dates under section 13(2) of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 for recovery of their dues.
- d) Interest on Service Tax payable of ₹88.03 Lakhs has not provided, resulting to underreporting of loss to that extent.
- e) Interest on Mobilization Advance Received of ₹365.89 Lakhs has not been provided, resulting to underreporting of loss to that extent.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, and further to our comments in the 'Annexure-A' we state that except for possible effect of the matter described in sub para (a) to (e) in the 'Basis for Qualified Opinion' paragraph above, the aforesaid standalone Ind AS 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 including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2018, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matters

We draw attention to the following matters in the Notes to the standalone Ind AS financial statements:

- a) We draw attention to the Note No. 22 to accompanying statement, wherein, Company has recognized claims receivables from various agencies amounting to ₹13055 Lakhs as revenue during the year in view of increased certainty of the same.
- b) We draw attention to the Note No.5 to accompanying statement, wherein, based on expert advice and management estimation, Company has made downward revaluation of fixed assets by ₹9510.76 Lakhs to represent it at fair value.
- c) We draw attention to the Note No.28 to accompanying statement, wherein, director's remuneration given is pending for approval from Central Government.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure-A' a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) we have sought and obtained, except for the matter described in the sub para 'a' and sub para 'b' of the 'Basis for Qualified Opinion' paragraph above, all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid standalone Ind AS financial statements.
 - (b) except for the possible effect of the matter described in the 'Basis for Qualified Opinion' paragraph above, in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) except for the possible effect of the matter described in the 'Basis for Qualified Opinion' paragraph above, in our opinion the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) on the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act; and
 - (f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
 - (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-B".
 - (h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements, Refer Note No. 9, 28 and 46 to the standalone Ind AS financial statements;
 - ii. the Company did not have any Long term contract including derivatives contract as such the question of commenting on any material foreseeable losses thereon does not arise.
 - iii. There has been not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

For **Ajay B Garg**
Chartered Accountant

A Garg
Proprietor
Mem No. 32538

Place of Signature : Mumbai
Dated : 30th May 2018

‘Annexure-A’ to the Independent Auditors’ Report

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the standalone Ind AS financial statements of the Company for the year ended March 31, 2018, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the company.
- (ii) (a) As explained to us, the inventories have been physically verified during the year by the management. In our opinion, having regard to the nature and location of stocks, the frequency of the physical verification is reasonable.
- (b) In our opinion, the discrepancies noticed on physical verification of the inventory were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
- (iii) The Company has not granted loans amounting to bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 (‘the Act’). Accordingly, we have not commented upon the paragraph 3(iii) of the Order.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- (v) The Company has not accepted any deposits from the public and hence the paragraph 3(v) of the Order relating to directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 or any rules framed there under with regard to the deposits accepted from the public are not applicable to the company. Accordingly we have not commented upon the paragraph 3(v) of the Order.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the Companies (Cost records and audit) Rules 2014 and as prescribed by the Central Government under section 148(1) of the Act and are of the opinion that prima-facie, the prescribed accounts and cost records have been made and maintained by the Company. We have not however made a detailed examination of the cost records with a view to determining whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, duty of excise, service tax, duty of customs, employees’ state insurance , value added tax, cess and other material statutory dues have been regularly deposited with few delay in some cases during the year by the Company with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of excise, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable except TDS of ₹ 9,88,723/-, Entry Tax of ₹46,10,931/- and Service Tax of ₹88,03,979/-.
- (c) According to the information and explanations given to us, there are no material dues of wealth tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, sales tax, service tax and value added tax have not been deposited by the Company on account of disputes:

Name of the statute	Nature of dues	Amount (in Lakhs.)	Forum where dispute is pending
Orissa sales Tax Act	Sales Tax	165.00	Commissioner of Commercial Tax
Orissa Entry Tax Act	Entry Tax	144.00	Commissioner of Commercial Tax
Central Sales Tax Act	Sales Tax	791.10	Commissioner of Commercial Tax
Income Tax Act	Income Tax	5469.84	ITAT (Cuttack)
Income Tax Act	Income Tax	598.00	CIT(A), Bhubaneswar

(viii) Based on our Audit procedures and according to information and explanation given to us, the Company has paid dues to banks with certain delay. The Company have overdue outstanding dues to financial institutions, banks as at 31st March 2018 as follows:

Bank Name	₹ In Crores
State Bank of India	910.94
Punjab National Bank	321.48
IDBI Bank Ltd.	119.43
Bank of India	59.63
EXIM Bank(Edelweiss ARC Ltd.)	189.94
Kotak Mahindra Bank	9.5

- (ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments. The term loans have been applied for the purpose for which they were obtained.
- (x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- (xi) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, which is subject to the approval from Central Government;
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- (xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the standalone Ind AS Financial Statements as required by the applicable accounting standards.
- (xiv) Based upon the audit procedures performed and the information and explanations given by the management, the company has made preferential allotment of equity shares during the year under review. Company has complied requirement of section 42 of the Companies Act, 2013 and the amount raised have been used for the purposes for which the funds were raised.
- (xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- (xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For **Ajay B Garg**
Chartered Accountant

A Garg
Proprietor
Mem No. 32538

Place : Mumbai
Dated : 30th May 2018.

‘Annexure – B’ to the Independent Auditor’s Report

[Referred to in paragraph 2(g) under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the standalone Ind AS financial statements of the Company for the year ended March 31, 2018.]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of M/s. ARSS Infrastructure Projects Limited (‘the Company’), as of 31 March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles including Ind AS. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles including Ind AS, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Ajay B Garg**
Chartered Accountant

A Garg
Proprietor
Mem No. 32538

Place : Mumbai

Dated : 30th May 2018

Balance Sheet as at

(Rupees in INR' Lakhs)

	Note No.	As at 31 st -Mar-18	As at 31 st -Mar-17	As at 1 st -April-16
I. ASSETS				
1. Non-current Assets				
(a) Property, Plant and Equipment	5	8,683	20,657	26,507
(b) Capital Work-in-progress	5	-	-	-
(c) Intangible Assets	5	-	-	-
(d) Financial Assets				
(i) Investments	6	4,238	4,190	3,922
(ii) Trade Receivables	7	-	-	-
(iii) Loans	8	195	333	325
(iv) Other Financial Assets	9	133,044	88,025	93,599
(e) Deferred Tax Assets (net)	11	1,097	-	-
(f) Other Non-Current Assets	10	-	-	16
2. Current Assets				
a. Inventories	12	6,175	5,869	55,775
b. Financial Assets				
(i) Investments	6	-	-	-
(ii) Trade Receivables	7	5,080	8,214	18,515
(iii) Cash & Bank Balance	13	6,480	1,627	1,414
(iv) Bank Balances Other Than Three Above	13	3,363	5,807	6,186
(v) Loans	8	4,964	4,107	8,209
(vi) Other Financial Assets	9	1,073	37,492	16,389
c. Current Tax Assets (Net)	21	5,018	6,325	6,984
d. Other Current Assets	10	1,456	1,875	2,074
3. Asset Held For Disposal				
TOTAL ASSETS	5	-	2	107
		180,866	184,523	240,022
II. EQUITY AND LIABILITIES				
1. Equity				
a. Equity Share Capital				
b. Other Equity	14	2,274	1,484	1,484
2. Liabilities	15	1,947	2,216	35,378
(i) Non-current Liabilities				
a. Financial Liabilities				
(i) Borrowings				
(ii) Trade Payables	16	66,306	67,335	55,129
(iii) Other Financial Liabilities	17	-	-	-
b. Provisions	18	-	-	8
c. Deferred Tax Liabilities (net)	19	61	70	73
d. Other Non-current Liabilities	11	-	1,900	2,399
(ii) Current Liabilities	20	108	108	108
a. Financial Liabilities				
(i) Borrowings				
(ii) Trade Payables	16	101,825	101,599	94,549
(iii) Other Financial Liabilities	17	4,982	4,896	5,009
b. Provisions	18	1,785	3,379	42,731
c. Other Current Liabilities	19	27	18	15
d. Current Tax Liability (Net)	20	1,551	1,518	3,139
TOTAL EQUITY AND LIABILITIES	21	-	-	-
		180,866	184,523	240,022

Significant Accounting Policies and Notes to Accounts

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached.

For Ajay B Garg

For and on behalf of the Board

Chartered Accountants

CA. Ajay B Garg

Subash Agarwal

Rajesh Agarwal

S.K. Pattanaik

Alka Khemka

(Proprietor)

(Chairman)

(Managing Director)

(Chief Finance Officer)

(Company Secretary)

M.No.- 032538

DIN: 00218066

DIN : 00217823

Bhubaneswar

Date : The 30th day of May, 2018

Statement of Profit and Loss for the Period ended on

	Note	(Rupees in INR' Lakhs)	
		For the year ended 31 st -Mar-18	For the year ended 31 st -Mar-17
Income			
I. Revenue From Operations	22	58,434	83,665
II. Other Income	23	1,404	1,378
III. Other Gains/(Losses)	24	502	111
Total Income		60,340	85,154
IV. Expenses			
(a) Cost of Materials Consumed	25	12,805	17,064
(b) Cost Of Goods/Services Sold	27	22,380	16,340
(c) Change in Inventories (Increase) /Decrease	26	1,193	46,660
(d) Depreciation and Amortization expenses	5	2,394	3,263
(e) Employee Benefit Expenses	28	2,950	2,764
(f) Finance cost	29	3,724	7,699
(g) Other Expenses	30	22,771	25,003
Total Expenses		68,217	118,793
V. Profit Before Exceptional Items and Tax		(7,877)	(33,639)
Exceptional Items		-	-
VI. Profit Before Taxes		(7,877)	(33,639)
VII. Tax Expenses			
(a) Current Tax		-	-
(b) Tax of Earlier Years		(595)	(20)
(c) Deferred Tax		2,995	498
VIII. Profit (Loss) for the Period		(5,477)	(33,161)
IX. Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss :			
(a) Changes in investments in equity shares carried at Fair Value through OCI			
(b) Re-measurement of defined employee benefit plans		(5)	-
(ii) Income tax relating to items that will not be reclassified to profit or loss :			
- on Revaluation Surplus on Property, Plant & Equipment		-	-
- on Re-measurement of defined employee benefit plans		2	-
B (i) Items that will be reclassified to profit or loss :			
(a) Changes in investments other than equity shares carried at Fair Value through OCI (FVOCI)		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss :			
X. Total Other comprehensive Income after tax		(3)	-
XI. Total comprehensive income for the period		(5,480)	(33,161)
XII. Earnings per equity share: (weighted)			
(1) Basic	44	(27.51)	(223.46)
(2) Diluted	44	(27.51)	(223.46)

Significant Accounting Policies and Notes to Accounts

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For Ajay B Garg
Chartered Accountants

For and on behalf of the Board

CA. Ajay B Garg
(Proprietor)
M.No.- 032538

Subash Agarwal
(Chairman)
DIN: 00218066

Rajesh Agarwal
(Managing Director)
DIN : 00217823

S.K. Pattanaik
(Chief Finance Officer)

Alka Khemka
(Company Secretary)

Bhubaneswar

Date : The 30th day of May, 2018

STATEMENT OF CHANGES IN EQUITY

(Rupees in INR' Lakhs)

A. Equity Share Capital

Particulars	Amount
As at 1 April 2016	1,484
Changes in equity share capital	-
As at 31 March 2017	1,484
Changes in equity share capital	790
As at 31 March 2018	2,274

B. Other Equity

Particulars	Attributable to owners of ARSS Infrastructure Projects Limited						
	Share Application Money	Reserves & Surplus			Other reserves		Total other equity
		General Reserves	Securities premium reserve	Retained earnings	FVOCI-equity investments	Capital Reserves	
Balance at 1 April 2016	-	727	14,736	19,915	-	-	35,378
Profit for the year	-	-	-	(33,161)	-	-	(33,161)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(33,161)	-	-	(33,161)
Other Adjustments	-	-	-	-	-	-	-
Issue of equity shares	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-
Balance at 31 March 2017	-	727	14,736	(13,246)	-	-	2,217
Profit for the year	-	-	-	(5,477)	-	-	(5,477)
Other comprehensive income	-	-	-	(3)	-	-	(3)
Total comprehensive income for the year	-	-	-	(5,480)	-	-	(5,480)
Issue of equity shares	-	-	5,211	-	-	-	5,211
Balance at 31 March 2018	-	727	19,947	(18,726)	-	-	1,948

As per our report of even date attached

For Ajay B Garg
Chartered Accountants

CA. Ajay B Garg
(Proprietor)
M.No.- 032538

Subash Agarwal
(Chairman)
DIN: 00218066

Rajesh Agarwal
(Managing Director)
DIN : 00217823

S.K. Pattanaik
(Chief Finance Officer)

Alka Khemka
(Company Secretary)

For and on behalf of the Board

Bhubaneswar

Date : The 30th day of May, 2018



STATEMENT OF CASH FLOWS

Particulars	(Rupees in INR' Lakhs)	
	Year Ended 31 st March'2018	Year Ended 31 st March'2017
Operating Activities		
Profit before tax from continuing operations	(7,877)	(33,639)
Profit/(loss) before tax from discontinuing operations	-	-
Profit before tax	(7,877)	(33,639)
Adjustments for		
Depreciation on Property, plant and equipment	2,394	3,263
Loss/(Gain) on Sale of Property, plant and equipment	9,284	236
Re-measurement of defined employee benefit plans	(5)	-
Interest Income	(1,261)	(556)
Assets held for disposal	-	-
Dividend Income	-	-
Operating profit / (loss) before working capital changes	2,535	(30,696)
Working capital adjustments:		
Increase/(decrease) in short-term Borrowings	226	7,050
Increase/(decrease) in Trade payables	86	(113)
Increase/(decrease) in other current liabilities	33	(1,621)
Increase/(decrease) in other long-term liabilities	-	-
Decrease/(increase) in trade receivables	3,134	10,301
Decrease/(increase) in inventories	(306)	49,906
Decrease/(increase) in provisions	1	(1)
Decrease/(increase) in other current assets	419	198
Decrease/(increase) in other non-current assets	-	16
Decrease/(increase) in other non-current financial assets	(45,019)	5,574
Decrease/(increase) in other current financial assets	36,419	(21,100)
Decrease/(increase) in assets held for disposal	2	105
Decrease/(increase) in other non-current financial liabilities	-	(8)
Decrease/(increase) in other current financial liabilities	(1,594)	(39,352)
Decrease/(increase) in short-term loans and advances	(858)	4,102
Decrease/(increase) in Long-term loans and advances	138	(8)
	(4,783)	(15,647)
Income taxes paid	712	639
NET CASH INFLOW FROM OPERATING ACTIVITIES (A)	(4,072)	(15,008)
Investing Activities		
Purchase of property, plant and equipment	(53)	(94)
Purchase of Intangible Assets	-	-
Proceeds from Sale of property, plant and equipment	351	2,441
(Purchase)/Sale of Investments	(48)	(268)
Interest received (finance income)	1,261	556
Dividend received (finance income)	-	-
NET CASH OUTFLOW FROM INVESTING ACTIVITIES (B)	1,511	2,635
Financing Activities		
Proceeds from issue of equity shares	789	-
Proceeds from securities premium	5,210	-
Interest paid	-	-
Proceeds/(Repayment) from borrowings	(1,030)	12,207
Dividends paid including Dividend Distribution Tax	-	-
NET CASH INFLOW (OUTFLOW) FROM FINANCING ACTIVITIES	4,969	12,207
Net increase (decrease) in cash and cash equivalents (A+B+C)	2,408	(166)
Cash and cash equivalents at the beginning of the year	7,434	7,600
Cash and cash equivalents at year end	9,843	7,434

This Statement of Cash Flows has been prepared as per indirect method in accordance with Ind AS 7, "Statement of Cash Flows".

As per our report of even date attached

For Ajay B Garg
Chartered Accountants

For and on behalf of the Board

CA. Ajay B Garg

Subash Agarwal

Rajesh Agarwal

S.K. Pattanaik

Alka Khemka

(Proprietor)

(Chairman)

(Managing Director)

(Chief Finance Officer)

(Company Secretary)

M.No.- 032538

DIN: 00218066

DIN : 00217823

Bhubaneswar

Date : The 30th day of May, 2018

Notes to the Financial Statements for the year ended 31st March,2018

1) Company Overview

ARSS infrastructure Projects Limited (the company) is a public limited company incorporated and domiciled in India. The company has its primary listings on the BSE Limited and National Stock Exchange of India Limited, 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) SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

(i) Compliance with Ind AS :

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) ,Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

The financial statements up to year ended 31 March 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements under Ind AS. Refer to Note No 59 for an explanation of how the transition from previous GAAP to Ind AS has affected the company financial position, financial performance and cash flows.

(ii) Historical cost convention :

The financial statements have been prepared under the historical cost convention, except for the following:

- a) Certain financial assets and liabilities that is measured at fair value;
- b) Net Defined Obligations; and
- c) Assets held for sale.

(iii) Current And Non -Current Classification

All assets and liabilities have been classified as current and non-current as per the company's operating cycle and other criteria set out in the Division II of Schedule III to the Companies Act 2013. The company has ascertained its operating cycle as 12 months for the purpose of current and non-current classifications.

2.2. Property, plant and equipment, Intangible Assets and Capital Work-in-progress

i) Recognition and Measurement

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset ,as appropriate , only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

The cost of Property, plant and equipment not available for use as on each reporting date are disclosed under capital work-in-progress.

ii) Transition to Ind AS

On transition to Ind AS, the entity has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

iii) Depreciation methods, estimated useful lives and residual value

- a) Depreciation is calculated using the Straight Line Method (SLM) to allocate their cost, net of their residual values over their estimated useful life. The useful life has been determined based on the technical evaluation done by the independent experts.
- b) Any asset whose aggregate actual cost does not exceed five thousand rupees has been fully charged off in the year of addition.
- c) The residual values are not more than 5% of the original cost of the assets. The asset's residual values and useful life are reviewed and adjusted at the end of each reporting period.
- d) Depreciation on assets purchased/acquired during the year is charged from the date of purchase of the assets. Assets that are acquired during the year are depreciated on pro rata basis from the date of such addition or, as the case may be, upto the date on which such assets has been derecognized.
- e) An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.
- f) Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).
- g) Leasehold land has been amortized over corresponding lease period.

iv) Intangible assets :

a) Recognitions and Measurements :

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

b) Amortization methods and periods

Intangible Assets with finite useful life are amortized on straight line basis over their estimated useful life .

c) Transition to Ind AS

On transition to Ind AS, the entity has elected to continue with the carrying value of all of intangible assets recognized as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

2.3 Revenue recognition :

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The specific recognition criteria described below must also be met before revenue is recognized.

Contract revenue (Construction Contracts) :

Contract Revenue is recognized on Stage of Completion Method based on the Bills submitted, certified and sanctioned by the appropriate authorities and Work completed and Uncertified Bills for work executed on the Project and does not include material supplied by the clients free of cost. The relevant cost is recognized in accounts in the year of recognition of the revenue. The total costs of contract are estimated by Company and are based on technical and other estimates and assumptions

2.4 Other Incomes

- a) Insurance claims has been recognized as revenue on cash basis.
- b) Dividends has been recognized as revenue when the shareholder's right to receive payment is established.
- c) Interest has been recognized as revenue using the effective interest method as set out in Ind AS 109.
- d) Revenue other than above has been recognized only when it is probable that the economic benefits associated with

the transaction will flow to the entity. However, when an uncertainty arises about the collectibility of an amount already included in revenue, the uncollectible amount or the amount in respect of which recovery has ceased to be probable is recognized as an expense, rather than as an adjustment of the amount of revenue originally recognized.

2.5 Inventories :

Raw materials, Stores and spares, Semi-finished goods, traded and finished goods

Inventories are valued as under –

- a) Raw materials, Stores spares, loose tools and Erection materials are valued at the lower of cost or net realisable value;
- b) Finished goods are stated at lower of Cost or Net Realizable Value; and
- c) Saleable scraps, whose cost is not identifiable, are valued at estimated realizable value.”

Cost of raw materials and stores comprises cost of purchase. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business after deduction of the estimated cost of completion and the estimated costs necessary to make the sale.

2.6 Financial Instruments

Financial assets and liabilities are recognized when the company becomes a party to the contractual provisions of the instrument.

Financial Assets

(i) Trade Receivables

Trade Receivables are recognized initially at fair value and subsequently measured at amortized costs less provisions for impairment.

(ii) Other Financial Assets

a) Classifications

The company classifies its financial assets into the following categories:

#Those to be measured subsequently at fair value (either through other comprehensive income or through profit and loss)

#Those measured at amortized costs

The classification depends upon the business model for managing the financial assets and contractual characteristics of the cash flows.

b) Measurements

Initial Recognition:

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial assets. The transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are immediately recognized in profit or loss.

Subsequent Measurement:

There are three subsequent measurement categories into which the company classifies its debt instrument financial assets:

#measured at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

measured at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income, if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

measured at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or fair value through other comprehensive income on initial recognition.

Equity instruments :

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognized at the proceeds received net off direct issue cost.

All equity instruments classified under financial assets are subsequently measured at fair value. The company has made an irrevocable election at the time of initial recognition to account for the equity instrument at fair value through other comprehensive income.

c) Impairment of Financial Assets :

The company assesses on forward looking basis the expected credit losses associated with its assets carried at amortized costs. The impairment methodology applied depends on whether there has been a significant increase in credit risks.

For trade receivables only, the company applies the simplified approach permitted by Ind AS 109, "Financial Instruments," which requires expected life time losses to be recognized from initial recognition of the receivables.

d) Derecognition of Financial Assets :

A financial assets is derecognized only when :

The company has transferred the rights to receive cash flows from the financial assets or

Retains the contractual rights to receive the cash flows of the financial assets but assumes a contractual obligation to pay the cash flows to one or more recipients.

Financial Liabilities

a) Borrowings :

- i. Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method.
- ii. Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other gains/(losses).
- iii. Borrowings are classified as current liabilities unless the entity has an unconditional right to defer, settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

b) Trade and other payables :

These amounts represent liabilities for goods and services provided to the entity prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 45 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the

reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

c) Other Financial Liabilities

Financial liabilities are measured at amortized cost using effective interest method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognized in the statement of profit and loss.

Interest bearing loans and borrowings are subsequently measured at amortized cost using effective interest rate method. Gain and losses are recognized in profit and loss when the liabilities are derecognized.

d) Offsetting of Financial Instruments:

A financial asset and a financial liability shall be offset and the net amount shall be presented in the balance sheet when, and only when, an entity:

- (a) currently has a legally enforceable right to set off the recognized amounts; and
- (b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2.7 Employee benefits :

(i) Short-term employee benefit obligations

Liabilities for wages and salaries, including non-monetary benefits, that are expected to be settled wholly within 12 months, after the end of the period, in which the employees render the related service, are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

All Short term employee benefits such as salaries, incentives, special award, medical benefits which fall due within 12 months of the period in which the employee renders related services, which entitles him to avail such benefits and non accumulating compensated absences (like maternity leave and sick leave) are recognized on an undiscounted basis and charged to Profit and Loss Statement.

(ii) Post-employment obligations

"The entity operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity, Super annuation and
- (b) defined contribution plans such as provident fund.

Provident fund obligations

Contribution to the provident fund, which is a defined contribution plan, made to the Regional Provident Fund Commissioner is charged to the Profit and loss Statement on accrual basis.

Gratuity obligations

The liability or assets recognized in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligations denominated in INR is determined by discounting the estimated future cash flows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the term of related obligations.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expenses in statement of profit and loss.

Re-measurements gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

2.8 Foreign currency translation :

(i) Functional and presentation currency

Each items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions i.e. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

Non monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Translation differences on assets and liabilities carried at fair value are reported as part of fair value gain or loss.

2.9 Income tax :

- i. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.
- ii. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.
- iii. Current income tax expense comprises taxes on income from operations in India and is determined in accordance with the provisions of the Income Tax Act, 1961. Minimum Alternate Tax (MAT) is paid in accordance with the tax laws, which gives rise to future economic benefits in the form of tax credit against future income tax liability. The company offsets on a year on basis, the current tax assets and liabilities, where it intends to settle such assets and liabilities on a net basis. The current tax expense recognized in the financial statements is net off MAT credit utilized during the period.
- iv. Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.
- v. Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.
- vi. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.
- vii. Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.10 Cash and cash equivalents :

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of twelve months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

2.11 Borrowing costs :

- a) General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.
- b) Other borrowing costs are expensed in the period in which they are incurred.

2.12 Provisions & Contingent Liabilities:

- a) A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. Contingent assets are not recognized.
- b) Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

2.13 Contributed equity :**a) Equity:**

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

b) Dividends :

Provisions is made for any amount of dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of reporting period but not distributed at the end of the reporting period.

2.14 Earning Per Share**a) Basic Earning Per Share**

Basic Earning Per Share is calculated by dividing the profit attributable to owners of the company by the weighted average number of equity shares outstanding during the financial year.

b) Diluted Earning Per Share

Diluted Earning Per Share adjusts the figures used in the determination of the basic earning per share to take into account the after income tax effect of interests or other finance costs associated with the dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.15 Segment Reporting

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The Company's operations predominantly relate to providing end-to-end business solutions to enable clients to enhance business performance. Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments. Accordingly, information has been presented both along business segments and geographic segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant accounting policies.

The Company's operations predominantly consist of Infrastructure Development like road work, railway work and others infrastructure development activity. Hence, there are no other reportable segment. 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 segment disclosures are considered necessary.

2.16 Rounding of amounts :

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakhs as per the requirement of Division II of Schedule III to the Act, unless otherwise stated.

3) Recent Accounting Pronouncement :

Accounting Pronouncement Issued but not effective :

a) Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs (“MCA”) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The company have not enter in to any foreign currency transaction, hence it has no impact on company financials.

b) Ind AS 115- Revenue from Contract with Customers:

On March 28, 2018, Ministry of Corporate Affairs (“MCA”) has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity’s contracts with customers.

The standard permits two possible methods of transition:

- **Retrospective approach** - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

4) Critical Estimates and Judgments:

a) Use of Estimates :

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

b) Critical Accounting Estimates :

i) Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset’s expected useful life and the expected residual value at the end of its life. The useful life and residual values of company’s assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The life is based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

ii) Income Taxes :

The Company's major tax jurisdictions is India. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

iii) Defined benefit obligation

The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

iv) Impairment of trade receivables

The company estimates the uncollectibility of accounts receivables by analyzing historical payment patterns, customer concentrations, customer credit worthiness and current economic trends. If the financial condition of customer deteriorates, additional allowances may be required.

Note-5: Property, Plant and Equipment

Particulars	Freehold Land	Leasehold Land	Freehold Buildings	Furniture, Fittings and Equipment	Plant and Equipment	Office Equipment	Vehicles	TOTAL	Capital Work-in-Progress	Intangible Assets
Gross Carrying Amount										
At 1 st April, 2016	737	35	367	163	44,412	305	1,740	47,759	-	-
Additions/Adjustments during the year	-	-	-	31	48	15	-	94	-	-
Disposals/Adjustment during the year	-	-	-	-	8,450	-	206	8,656	-	-
At 31 st March, 2017	737	35	367	194	36,010	320.09	1,534	39,197	-	-
Additions/Adjustments during the year	-	-	-	3	38	12	0	53	-	-
Disposals/Adjustment during the year	-	-	-	-	10,003	-	53	10,056	-	-
At 31st March, 2018	737	35	367	197	26,045	332	1,481	29,194	-	-
Accumulated Depreciation and Impairment										
At 1 st April, 2016	-	1	40	80	19,588	298	1,246	21,253	-	-
Depreciation charge for the year	-	1	6	16	3,043	2	195	3,263	-	-
Disposals/Adjustment during the year	-	-	-	-	5,834	-	144	5,979	-	-
At 31 st March, 2017	-	2	46	96	16,796	300	1,297	18,538	-	-
Depreciation charge for the year	-	1	6	16	2,192	3	176	2,394	-	-
Disposals/Adjustment during the year	-	-	-	-	375	-	45	420	-	-
At 31st March, 2018	-	3	52	112	18,613	303	1,428	20,511	-	-
Net Book Value At 31st March, 2018	737	32	315	85	7,432	29	53	8,683	-	-
Net Book Value At 31 st March, 2017	737	33	321	98	19,212	20	237	20,657	-	-
Deemed cost At 1 st April, 2016	737	34	327	83	24,825	7	494	26,507	-	-

Net Book Value /At Deemed Cost on 1st April 2016

	As at 31st March'2018	As at 31 st March'2017	As at 1 st April,2016
	INR Lakhs	INR Lakhs	INR Lakhs
Property,Plant and Equipment	8,683	20,657	26,507
Capital Work-in-progress	-	-	-
Intangible Assets	-	-	-

- (i) The leasehold land pertains to land under lease agreement with Orissa Industrial Infrastructure Development Corporation to be amortized over the lease tenure of Sixty-Four Years.
- (ii) Details of property plant & equipment pledged as security - Refer Note No. 52
- (iii) Refer Note No. 56 for estimated useful life of different class of Property ,Plant & Equipment.
- (iv) The amount of intangible asset is below rounding off norms of the company.
- (v) Plant and Equipment includes capital stores to the tune of 31 lakhs as on 31st March 2018 , ₹ 5 lakhs as on 31st March 2017 & ₹ 8 Lakhs as on 1st April 2016.
- (vi) The Company has made downward revaluation of its fixed assets during the year resulting a revaluation loss of ₹ 9510.76 lakhs

(vii) The details of retired asset as at end of each period is as below :-

Net Book Value /At Deemed Cost on 1st April 2016

	As at 31st March'2018	As at 31 st March'2017	As at 1 st April,2016
	INR Lakhs	INR Lakhs	INR Lakhs
Property,Plant and Equipment	445	271	92
Capital Work-in-progress	-	-	-
Intangible Assets	-	-	-

(viii) Held For Disposal

Carrying Amount /At Deemed Cost on 1st April 2016

	As at 31st March'2018	As at 31 st March'2017	As at 1 st April,2016
	INR Lakhs	INR Lakhs	INR Lakhs
(i) Plant and Equipment			
Opening Balance/Deemed Cost	-	84	-
Additions	-	-	84
Deletions	-	(84)	-
Carrying Amount/Deemed Cost	-	-	84
(ii) Vehicles			
Opening Balance/Deemed Cost	2	23	23
Additions	-	2	-
Deletions	(2)	(23)	-
Carrying Amount/Deemed Cost	-	2	23
Total	-	2	107

Note 6: Investments

Particulars	As at 31 st March'2018	As at 31 st March'2017	As at 1 st April'2016
Investment in Equity Instruments			
Unquoted at Cost			
Investment in Subsidiary Entities			
2,20,83,730 (31, March 2017:2,20,83,730) (01, April, 2016: 1,47,60,000) Equity Shares of ₹ 10/- each fully paid up in ARSS Damoh-Hirapur Tolls Private Limited	2,208	2,208	1476
4,999(31, March 2017:4,999),(01, April, 2016:4,999) Equity Shares of ₹ 10/- each fully paid up in ARSS E to E Private Limited* (Below rounding off norms)	-	-	-
Investment in Associate Entities			
25,00,000(31, March 2017:25,00,000), (01, April, 2016: 25,00,000) Equity Shares of ₹ 10/- issued at ₹ 30/- each fully paid up in ARSS Developers Ltd	1,000	1,000	1,000
Investment in Joint Ventures	1,029	981	1,445
Total	<u>4,238</u>	<u>4,190</u>	<u>3,922</u>
(i) Non-current	4,238	4,190	3,922
(ii) Current	-	-	-
Category wise Investments:			
At Amortized Cost	4,238	4,190	3,922
At Fairvalue through Profit & Loss (FVPL)	-	-	-
At Fairvalue through Other Comprehensive Income (FVOCI)	-	-	-

Note 7: Trade Receivables

Particulars	As at 31 st March'2018	As at 31 st March'2017	As at 1 st April'2016
Secured, considered good			
(i) Non-Current	-	-	-
Sub-Total	-	-	-
(ii) Current			
Gross Trade Receivables	5,715	18,112	18,780
Less: Trade Receivable Written off	(43)	(9,306)	-
Less: Impairment loss/(Gain) on financial assets	(592)	(592)	(264)
Sub-Total	<u>5,080</u>	<u>8,214</u>	<u>18,515</u>
Total	<u>5,080</u>	<u>8,214</u>	<u>18,515</u>

Trade receivables are non-interest bearing and are generally on terms of 90 to 180 days.

Note 8: Loans

Particulars	As at 31 st March'2018	As at 31 st March'2017	As at 1 st April'2016
Secured, considered good			
(i) Non-Current			
Security Deposit			
- Government authorities	15	15	15
- Others	180	318	310
Sub-Total	195	333	325
(ii) Current			
Security Deposit			
- Government authorities	-	-	-
- Others*	4,624	3,843	7733
Less; Impact of finance component of deferred revenue	(246)	(231)	-
Earnest Money Deposits	586	495	476
Sub-Total	4,964	4,107	8,209
Total	5,159	4,439	8,534

*Others Includes Security Deposit & Withheld money receivable.

Note 9: Other Financial Assets

Particulars	As at 31 st March'2018	As at 31 st March'2017	As at 1 st April'2016
(i) Non-Current			
Application Money Paid towards securities Pending Allotment	-	-	757
Claims Receivable**	133,044	87,904	92,721
Other Advances	-	121	121
Sub-Total	133,044	88,025	93,599
(ii) Current			
Claims Receivable**	-	32,549	10,514
Other Advances *	1,073	4,943	5,876
Sub-Total	1,073	37,492	16,389
Total	134,116	125,517	109,988

*Other Current Advances include mainly Bank Guarantees Invoked.

**Total Claimed Receivable amounting to ₹ 148555 Lakhs is under dispute / arbitration. Same are subject to the outcome of arbitration and /or Reconciliation proceedings arising out of various contractual obligations. The element of realisable profit and actual expenditure incurred has been considered and amount of ₹133044Lakhs is accounted based on reasonable certainty of realisation of the same and are considered good and realisable by the Management

Note 10: Other Assets

Particulars	As at 31 st March'2018	As at 31 st March'2017	As at 1 st April'2016
(i) Non-Current			
Capital Advance	-	-	16
Sub-Total	-	-	16
(ii) Current			
Prepaid Expenses	295	432	444
Employee Advances	5	3	15
Vendor Advances	1,156	1,440	1,615
Sub-Total	1,456	1,875	2,074
Total	1,456	1,875	2,090

Note 11: Deffered tax assets/(liabilities)(net)

Particulars	As at 31 st March'2018	As at 31 st March'2017	As at 1 st April'2016
Property, plant and equipment	760	(2,237)	(2,602)
Asset Held For Disposal	-	(1)	(33)
Employee Benefit Obligation	27	27	27
Impairment loss/(gain) on financial assets	183	183	82
Minimum Alternate Tax(MAT)	127	128	127
Brought forward losses	-	-	-
Total	1,097	(1,900)	(2,399)

Note 12: Inventories

Particulars	As at 31 st March'2018	As at 31 st March'2017	As at 1 st April'2016
a. Materials at Site	1,805	401	3,591
b. Stores, Spares & Loose Tools	306	211	267
c. Work In Progress	1,032	2,116	35,880
d. Finished Goods	3,032	3,141	16,037
Total	6,175	5,869	55,775

Note 13: Cash and Bank Balance

Particulars	As at 31 st March'2018	As at 31 st March'2017	As at 1 st April'2016
Balances with banks			
(i) Cash at bank	6,396	1,578	1,353
(ii) Cash on hand	84	49	61
Less: Bank overdraft	-	-	-
Total	6,480	1,627	1,414
Balances In Bank Other Than Above*	3,363	5,807	6,186
	3,363	5,807	6,186

Details of Cash at Bank :

In Current Account	6,396	1,578	1,353
In Fixed Deposits	3,363	5,807	6,186

*Fixed deposit with carrying amount of INR 3,363 lakhs including interest accrued on the same (31st March,2017: INR 5,807 lakhs and 1st April,2016:INR 6,186 lakhs) are pledged against bank guarantees as security deposit ,EMD and Margin account.

Note 14:Share Capital

Particulars	As at 31 st March'2018	As at 31 st March'2017	As at 1 st April'2016			
(A) Authorised Shares Capital						
Equity Shares ::						
4,00,00,000 (As on 31st March 2017 4,00,00,000 As on 31st March 2016 4,00,00,000) Equity Shares of ₹10/- Each	4,000	4,000	4,000			
Preference Shares ::						
1,50,00,000(As on 31st March 2017 1,50,00,000 As on 31st March 2016 1,50,00,000) Preference Shares of ₹ 10/- Each	1,500	1,500	1,500			
(B) Issued, Subscribed and Paid Up						
Equity Shares:						
2,27,37,966 (As on 31st March 2017 1,48,43,230 As on 31st March 2016 1,48,43,230) equity shares of ₹ 10 each fully paid up	2,274	1,484	1,484			
Preference Shares :						
(As on 31st March 2017 1,50,00,000 As on 31st March 2016 1,50,00,000) Preference Shares of ₹ 10/- Each	-	1,500	1,500			
Less: Debt Component Of Equity Instruments	-	(1,500)	(1,500)			
Total	2,274	1,484	1,484			
(C) Reconciliation of Number of Shares						
i) Reconciliation of number of Equity shares are set out below:						
a) Shares outstanding at the beginning of the financial year.	14,843,230	14,843,230	14,843,230			
b) Issued during the year	7,894,736	-	-			
c) Shares forfeited/brought back/cancelled during the year	-	-	-			
d) Shares outstanding at the end of the financial year	<u>22,737,966</u>	<u>14,843,230</u>	<u>14,843,230</u>			
ii) Reconciliation of number of Preference shares are set out below:						
a) Shares outstanding at the beginning of the financial year.	15,000,000	15,000,000	15,000,000			
b) Issued during the year	-	-	-			
c) Shares forfeited/brought back/cancelled during the year	(15,000,000)	-	-			
d) Shares outstanding at the end of the financial year	<u>-</u>	<u>15,000,000</u>	<u>15,000,000</u>			
(D) Details of shareholders holding more than 5% of shares	As at 31st March'2018	As at 31st March'2017	As at 1st April'2016			
Name of the Shareholders	% Held	No. of Shares	% Held	No. of Shares	% Held	No. of Shares
Equity Shares:						
Subash Agarwal	6.08%	1,381,608	7.91%	1,173,500	7.91%	1,173,500
Mohanlal Agarwal	-	-	5.13%	761,750	5.13%	761,750
ARSS Developers Ltd	14.00%	3,183,480	-	-	-	-
Sidhant Financial Services Limited	14.92%	3,393,031	-	-	-	-
Preference Shares:						
Rajesh Agarwal	-	-	5.59%	838,860	5.59%	838,860
Sidhant Financial Services Limited	-	-	83.00%	12,450,000	83.00%	12,450,000

- (i) The company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian Rupees.
- (ii) 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.
- (iii) The company has issued during the year 78,94,736 number of equity shares in pursuant to CDR condition
- (E) There are no shares reserved for issue under options and contracts or commitments for the sale of shares or disinvestment.**
- (F) For the period of five years immediately preceding the date at which the balance sheet prepared the company has not :**
- (i) Allotted any shares as fully paid up pursuant to contract without payment being received;
- (ii) Allotted any shares as fully paid up by way of bonus; and
- (iii) Bought back any shares

Note 12: Inventories

Particulars	As at 31 st March'2018	As at 31 st March'2017	As at 1 st April'2016
a. Securities Premium			
Opening Balance	14,736	14,736	14,736
Add:-Additions during the year	5,211	-	-
Sub Total	19,947	14,736	14,736
b. General Reserves			
Opening Balance	727	727	727
Add:-Addition during the Year	-	-	-
Less: Transferred to Retained Earnings	-	-	-
Sub Total	727	727	727
c. Retained Earnings			
Opening Balance/ As on Transition Date	(13,247)	19,914	19,764
Add: Profit/(Loss) during the year	(5,477)	(33,161)	-
Add:Re-measurement of defined employee benefit plans through OCI	(3)	-	-
Less: Deferred Tax liability / (Assets)on Transition date	-	-	418
Less; Impairment loss on financial assets	-	-	(264)
Add: Depreciation on Capital Stores classified as PPE on transition date	-	-	(3)
Sub Total	(18,727)	(13,247)	19,915
Grand Totals	1,947	2,216	35,378

Refer Note No.57 for details of nature and purpose of each class of other equity .

Note 16: Borrowings

Particulars	As at 31 st March'2018	As at 31 st March'2017	As at 1 st April'2016
(i) Non-Current Borrowings			
Secured Loan			
(a) Term Loan From Banks	66,306	67,225	68,351
(b) Financial Lease Obligations	-	-	23,494
Unsecured Loan			
Loans from Bank	-	-	-
Loan from Others	-	-	-
Less : - Current Maturity of Long term debt			
Term Loan From Banks	-	(1,390)	(14,722)
Financial Lease Obligations	-	-	(23,494)
Debt Component of Equity Instruments(Refer Point-VIII below)	-	1,500	1,500
Total non-current borrowings	66,306	67,335	55,129
(ii) Current Borrowings			
(a) Cash Credit	99,884	95,156	87,287
(b) Financial Lease Obligations	-	-	-
(c) From Others (Refer Point- VII below)	1,942	6,443	7,262
Total current borrowings	101,825	101,599	94,549

Notes :-

- (i) Rupee loan from bank carries interest @ 10 % to 10.5% p.a. The loans are repayable in quarterly installments 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.
- (ii) Rupee loan from NBFCs Carries interest @9% to 12% p.a and are repayable in monthly instalments. The above loans are secured by way of mortgage on assets acquired out of such loan. The Loans are repayable over 3 to 5 years.
- (iii) Term Loan (TL) under CDR and governed by Master Restructuring Agreement(MRA) dated 6th September 2012, with State Bank of India, Punjab National Bank, ICICI Bank Ltd., IDBI Bank Ltd., State Bank of Bikaner & Jaipur & Bank of India. The amount repayable is over a period from FY 2016-17 to 2020-21.
- (iv) This loan is secured by equitable mortgage of immovable property of the Company and promoters, pari-passu charge on plant & machinery of the company (excluding land & office flat & equipments on which other lenders are having first charge) and irrevocable and unconditional personal guarantees of the Directors and pledge of shares held by promoters in the Company.
- (v) Interest rate for all term loan are subject to periodic review.
- (vi) Refer the note no. 58 for detail disclosure on repayment schedule and rate of interest.
- (vii) Current Borrowings from others represents amounts borrowed from related party.
- (viii) Debt component of Equity Instruments includes redeemable preference share capital issued under CDR package.

Note-17: Trade Payables

Particulars	As at 31 st March'2018	As at 31 st March'2017	As at 1 st April'2016
i. Non-Current	-	-	-
Sub-Total	-	-	-
ii. Current	4,982	4,896	5,009
Sub-Total	4,982	4,896	5,009
Grand Total	4,982	4,896	5,009

Note-18: Other financial liabilities

Particulars	As at 31 st March'2018	As at 31 st March'2017	As at 1 st April'2016
i. Non-Current			
Retention Money	-	-	-
Capital Creditors	-	-	8
Sub-Total	-	-	8
ii. Current			
Current Maturity of Long term Debt			
Term Loan From Banks	-	-	14,722
Financial Lease Obligations	-	1,390	23,495
Retention Money	835	880	3,688
Outstanding Employee Benefit Cost	437	472	323
Liability For Expenses	513	637	503
Sub-Total	1,785	3,379	42,731
Total	1,785	3,379	42,739

Note-19: Provisions

Particulars	As at 31 st March'2018	As at 31 st March'2017	As at 1 st April'2016
Provision for Employee Benefits	88	88	89
Total	88	88	89
Current	27	18	15
Non Current	61	70	73

Note-20: Other Liabilities

Particulars	As at 31 st March'2018	As at 31 st March'2017	As at 1 st April'2016
Non- Current Liabilities			
Mobilization advance Received	108	108	108
	108	108	108
Current Liabilities			
Payable to Statutory Authorities	296	631	1,073
Mobilization advance Received	926	887	2,066
Advance From Customers	329	-	-
Total	1,551	1,518	3,139

Note-21: Current Tax Liability/ (Assets) In Net

Particulars	As at 31 st March'2018	As at 31 st March'2017	As at 1 st April'2016
Income tax payable	-	-	127
TDS receivable	(5,018)	(6,325)	(7,111)
Total	(5,018)	(6,325)	(6,984)

Note-22: Revenue from operations

Particulars	31st March'2018	31st March'2017
Revenue from Operation :		
Sale of Services*	53,774	78,740
Sale of Products	4,838	5,156
Less: Impact of finance component of deferred revenue	(178)	(231)
Total	58,434	83,665

* Includes claims made during the year is ₹130,55 Lakhs

Note-23: Other income

Particulars	31st March'2018	31st March'2017
Interest Income From Financial Assets measured at Amortized Cost	1,016	555
Interest On Arbitration Cases	245	1
Miscellaneous Income	143	823
Total	1,404	1,378

Note-24: Other Gains/(Losses)

Particulars	31st March'2018	31st March'2017
Net gain/(losses) on disposal of Property, Plant & Equipment	227	54
Interest On Income Tax refund	111	57
Unwinding of finance component of deferred consideration	164	-
Total	502	111

Note-25

Particulars	31st March'2018	31st March'2017
Material and components consumed		
Opening Stock	617	3,866
Add: Material Purchased during the year	14,299	13,815
Less: Closing Stock	(2,111)	(617)
Total	12,805	17,064

Note-26: Change in Inventories

Particulars	31st March'2018	31st March'2017
Opening Stock		
Work In Progress	2,116	35,880
Finished Goods	3,141	16,037
Sub-Total	5,257	51,917
Less:- Closing Stock		
Work In Progress	1,032	2,116
Finished Goods	3,032	3,141
Sub-Total	4,064	5,257
INCREASE(-)/DECREASE(+)	1,193	46,660

Note-27: Cost Of Goods/Services Sold

Particulars	31 st March'2018	31 st March'2017
Sub-Contract Expenses	8,384	4,871
Wages & Salary	2,091	2,448
Hire Charges	161	296
Fuel Expenses	11,067	7,935
Rents, Rates and related Taxes	677	790
Total	22,380	16,340

Note-28: Employee Benefit Expenses

Particulars	31 st March'2018	31 st March'2017
Salary & Allowances	2,455	2310
Director's/Managerial Remuneration *	147	147
Contribution to PF & Other Funds	60	59
Staff Welfare	288	248
Total	2,950	2,764

* The Company has paid Director remuneration of ₹ 63 lakhs subject to approval from Central Government.

Note-29: Finance Cost

Particulars	31 st March'2018	31 st March'2017
Interest On Borrowings	3,665	7,683
Interest on Deferred Payment Terms	60	16
Total	3,724	7,699

Note-30: Other expenses

Particulars	31 st March'2018	31 st March'2017
Repairs & Renewals:		
Plant & Machinery	2,744	3,102
Others	173	65
Bad Debt	43	9,306
Impairment loss on financial assets	-	328
Provision for Bank Guarantee Invoked	5,556	8,233
Legal & Professional Charges	531	494
Royalty	659	553
Travelling & Conveyance	1,669	1,137
Auditors Remuneration (Note 31)	24	24
Directors' Sitting fees	15	16
Bank Charges	366	430
Insurance Charges	295	302
Electricity Charges	39	51
Loss downward revaluation of Property, Plant & Equipment	9,511	290
Miscellaneous Expenses	1,146	667
Corporate Social Responsibility Expenses (Note 32)	-	5
	22,771	25,003

Note 31 : Details of Payment to Auditors	31st March'2018	31st March'2017
As Auditors		
Audit Fees	19	19
Tax Audit Fee	5	5
In other Capacity		
Taxation Matters	-	-
Company Law Matters	-	-
Certification Fees	-	-
Re-imburement of Expenses	-	-
	<u>24</u>	<u>24</u>

Note 32: Corporate Social Responsibility (CSR) Expenses :	31st March'2018	31st March'2017
Contribution to Charity Foundation	-	5
Outlay on Others CSR Projects	-	-
Total	<u>-</u>	<u>5</u>
Amount required to be spent as per Section 135 of the Act	-	16
Amount spent during the year On :	-	-
(1) Construction or Acquisition of Assets	-	-
(2) On purposes other than (1) above	-	5
Total	<u>-</u>	<u>5</u>
Excess/(Short) Amount Spend*	-	-11

*Due to losses in financial year 2016-2017, the Company has short spent in CSR activities.

Note 33 : Income Tax Expenses

This note provides an analysis of the company's income tax expenses, show amounts that are recognized directly in equity and how the tax expenses is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the company's tax position.

Particulars	31st March, 2018	31st March, 2017
(a) Income Tax Expenses		
Current Tax :		
Current Tax on profits for the year	-	-
Adjustments for current tax of prior periods	595	20
Total Current Tax Expenses	<u>595</u>	<u>20</u>
Deferred Tax :		
Decrease/(Increase) in deferred tax assets	(2,995)	(498)
(Decrease)/Increase in deferred tax liabilities	-	-
Adjustments for deferred tax of prior periods	-	-
Total Deferred tax expenses/(benefits)	<u>(2,995)</u>	<u>(498)</u>
Total Income Tax Expenses	<u>(2,400)</u>	<u>(478)</u>
Income Tax Expenses is attributable to :		
Current Tax	595	20
Deferred Tax	(2,995)	(478)
Total Tax Expenses Charged to SPL	<u>(2,400)</u>	<u>(458)</u>
Total Tax Expenses/(Deferred Tax Benefits) Charged against OCI	<u>(2)</u>	<u>-</u>
Total Tax Expenses/(Deferred Tax Benefits)	<u>(2,402)</u>	<u>(458)</u>

(b) Reconciliation of tax expenses and the accounting profit multiplied by India's tax rate :

During current year and previous year the company has incurred loss hence there is no current tax required to be payable under Income Tax Act, 1961. Accordingly, reconciliation of tax expenses is not required.

(c) Amount recognised directly in equity

Particulars	31 st March, 2018	31 st March, 2017
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited/ (credited) to equity:	-	-
Current tax: share issue transaction cost	-	-
Deferred tax: Convertible bonds	-	-
	<u>-</u>	<u>-</u>

(d) Unrecognized temporary differences

Particulars	31 st March, 2018	31 st March, 2017
Temporary difference relating to investment in subsidiaries for which deferred tax liabilities have not been recognized:		
Undistributed earnings	-	-
Unrecognized deferred tax liabilities relating to the above temporary differences	-	-

Note No. 34 : Movement in Deferred Tax Asset-Incomes / (Liability-Expenses)

Particulars	As at 31.03.2018		As at 31.03.2017	
	Through PL	Through OCI	Through PL	Through OCI
Property, Plant and Equipment	2,996	-	365	-
Assets Held for Disposal	(1)	-	32	-
Employee benefit obligation	(2)	2	-	-
Impairment loss/(gain) on financial assets	(0)	-	101	-
Financial assets at fair value through profit and loss	-	-	-	-
Unused MAT Credits	(1)	-	-	1
Other items	-	-	-	-
Impact /As on Transition Date	2,993	2	498	1

NOTE 35 : Employee benefit obligations

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Year Ending 31-03-2018	"Year Ending 31-03-2017"
Change in Defined Benefit Obligation :		
Defined Benefit Obligation at the beginning	-	-
Current Service Cost	27	-
Past Service Cost	-	-
(Gain) / Loss on settlements	-	-
Interest Expense	-	-
Benefit Payments from Plan Assets	-5	-
Remeasurements - Due to Experience Adjustments	5	-
Defined Benefit Obligation at the end	27	-
Change in Fair Value of Plan Assets :		
Fair Value of Plan Assets at the beginning	113	-
Interest Income	9	-
Benefit Payments from Plan Assets	-5	-
Remeasurements - Return on Assets	-0	-
Fair Value of Plan Assets at the end	117	-
Weighted Average Asset Allocations at the end of current period		
Equities	-	-
Bonds	-	-
Insurance Policies	100%	-

Note 36 : Components of Defined Benefit Cost

Particulars	Year Ending 31-03-2018	Year Ending 31-03-2017
Current Service Cost	27	-
Past Service Cost	178	-
Total Service Cost	205	-
Total Net Interest Cost	-9	-
Defined Benefit Cost included in P & L	196	-
Remeasurements - Due to Experience Adjustments	5	-
(Return) on Plan Assets (Excluding Interest Income)	0	-
Total Remeasurements in OCI	5	-

NOTE 37 : Employee benefit obligations Funded /Unfunded balance

The net liability disclosed above relates to funded and unfunded plans are as follows :

Particulars	31-3-2018	31-3-2017
Defined Benefit Obligation	205	-
Fair value of plan assets	117	-
Deficit of funded plans	88	-
Unfunded plans	-	-
Deficit of Un funded plans	-	-

NOTE :38 Expected Cash Outflows From Defined Benefits Obligations

Maturity Profile of Defined Benefit Obligations ::

Years	Cash Outflow
1	27
2	25
3	24
4	25
5	23
6	22
7	21
8	19
9	19
10	17

Note 39 :Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Particulars	31-Mar-18
Discount rate	8%
Withdrawal Rate	15%
Salary growth rate	100%
Disability Rate	5%

Sensitivity Analysis :

Discount Rate, Salary Escalation Rate and Withdrawal Rate are significant actuarial assumptions. The change in the Present Value of Defined Benefit Obligation for a change of 100 Basis Points from the assumed assumption is given below:

Scenario	PV DBO	Percentage Change
Under Base Scenario	205	0.00%
Salary Escalation - Up by 1%	219	6.60%
Salary Escalation - Down by 1%	193	-6.10%
Withdrawal Rates - Up by 1%	204	-0.70%
Withdrawal Rates - Down by 1%	207	0.80%
Discount Rates - Up by 1%	194	-5.70%
Discount Rates - Down by 1%	218	6.40%

NOTE 40 : Risk exposure of Defined Benefits Obligations

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility :

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is maintained with LIC India. These are subject to interest rate risk and the fund manages interest rate risk to minimize risk to an acceptable level.

Changes in Bond yields :

A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plan funds maintained with the SBI Life.

Inflation risks :

In the gratuity plans, the payment are not linked to inflation, so there is less material risk.

(All amounts in INR Lakhs, unless otherwise stated)

Note No. 41 Fair value measurements**(i) Financial instruments by category:**

Particulars	31-Mar-18			31-Mar-17			01-April-16		
	FVPL	FVOCI	Amortized cost	FVPL	FVOCI	Amortized cost	FVPL	FVOCI	Amortized cost
Financial assets									
Investments:									
Equity instruments	-	-	4,238	-	-	4,190	-	-	3,922
Trade receivables	-	-	5,080	-	-	8,214	-	-	18,515
Cash & Bank Balance	-	-	6,480	-	-	1,627	-	-	1,414
Bank Balance Other than above			3,363			5,807			6,186
Loans	-	-	5,159	-	-	4,439	-	-	8,534
Derivative financial assets	-	-	-	-	-	-	-	-	-
Others	-	-	134,116	-	-	125,517	-	-	109,988
Total financial assets	-	-	158,436	-	-	149,794	-	-	148,559
Financial liabilities									
Borrowings	-	-	168,131	-	-	168,934	-	-	149,678
Derivative financial liabilities	-	-	-	-	-	-	-	-	-
Trade payables	-	-	4,982	-	-	4,896	-	-	5,009
Other financial liabilities	-	-	1,785	-	-	3,379	-	-	42,739
Total financial liabilities	-	-	174,898	-	-	177,209	-	-	197,426

(ii) Fair value hierarchy:

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are

- recognized and measured at fair value, and
- measured at amortized cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into three levels prescribed under the Ind AS 113 "Fair Value Measurements". An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements At March31, 2018

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments at FVPL				
Equity instruments	-	-	-	-
Mutual funds	-	-	-	-
Financial investments at FVOCI				
Quoted equity investments	-	-	-	-
Unquoted equity investments	-	-	-	-
Derivatives				
Foreign exchange forward contracts	-	-	-	-
Foreign currency options	-	-	-	-
Interest rate swaps	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Financial assets and liabilities measured at fair value - recurring fair value measurements At March31, 2017

	Level 1	Level 2	Level 3	Total
Financial assets :				
Financial investments at FVPL				
Equity instruments	-	-	-	-
Mutual funds	-	-	-	-
Financial investments at FVOCI				
Quoted equity investments	-	-	-	-
Unquoted equity investments	-	-	-	-
Derivatives				
Foreign exchange forward contracts	-	-	-	-
Foreign currency options	-	-	-	-
Interest rate swaps	-	-	-	-
Total	-	-	-	-

Financial assets and liabilities measured at fair value - recurring fair value measurements At April 1, 2016

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments at FVPL				
Equity instruments	-	-	-	-
Mutual funds	-	-	-	-
Financial investments at FVOCI				
Quoted equity investments	-	-	-	-
Unquoted equity investments	-	-	-	-
Derivatives				
Foreign exchange forward contracts	-	-	-	-
Foreign currency options	-	-	-	-
Interest rate swaps	-	-	-	-
Total	-	-	-	-

Level 1 : This hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments(including bonds) which are traded in the stock exchange is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2 : Fair value of financial instruments that are not traded in an active market (for example, traded bonds, over the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument as observable, the instrument is included in level 2.

Level 3 : If one or more of the significant inputs is not based on observable data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification assets.

(iii) As per Ind AS 107 "Financial Instrument: Disclosure", fair value disclosures are not required when the carrying amounts reasonably approximate the fair value. Accordingly fair value disclosures have not been made for the following financial instruments:-

1. Trade receivables
2. Cash and cash Equivalent
3. Loans
4. Borrowings
5. Trade payables
6. Capital creditors
7. Other payables

Note No. 42 : Financial risk management

The company's few portion of activities are exposed to variety of financial risks i.e. market risk, credit risk and liquidity risk. The company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk :

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables and other financial instruments, financial assets measured at amortized cost.	Ageing analysis Credit rating	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

(A) Credit risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily trade receivables from customers other than government entities .These Trade receivables are typically unsecured and are derived from revenue earned from domestic and foreign customers. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the company uses expected credit loss model to assess impairment loss or gain. the company uses a matrix to compute the expected credit loss allowance for trade receivable .

Credit risk management

Credit risk is managed on instrument basis. For Banks and financial institutions ,only high rated banks /institutions are accepted. For other financial instruments, the company assesses and maintains an internal credit rating system. The finance function consists of a separate team who assess and maintain internal credit rating system.

(B) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, the company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in accordance with practice and limits set by the company. These limits vary by locations to take into account the liquidity of the market in which the entity operates. In addition, the company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Note No. 43: Capital management

(a) Risk management

The company's objectives when managing capital are to;

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders; and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return on capital to shareholders or issue new shares. The company monitors capital using gearing ratio, which is net debt divided by total Equity. Net debt comprises of long term and short term borrowings less cash and bank balances. Equity includes equity share capital and reserves that are managed as capital. The gearing at the end of reporting period was as follows:

Particulars	March 31, 2018	March 31, 2017
Net Debt	66,306	67,335
Total Equity	4,221	3,701
Net debt to Equity Ratio	15.71	18.20

(b) Dividends

Particulars	March 31, 2018	March 31, 2017
(i) Equity shares		
Final dividend for the year ended 31.03.2017 of ₹ NIL (31.03.2016 ₹ NIL) per fully paid share	-	-
Interim dividend for the year ended 31.03.2017 of ₹ NIL (31.03.2016 ₹ Nil) per fully paid share	-	-
(ii) Dividends not recognized at the end of the reporting period	-	-
In addition to the above dividends, since year end the directors have recommended the payment of final dividend of ₹ NIL per fully paid equity share (31.03.2016 ₹ NIL). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	-	-

NOTE - 44

EARNINGS PER SHARE (EPS)	31st March 2018	31st March 2017
i) Net Profit after tax as per statement of Profit & Loss attributable to Equity Shareholders (₹ Lakhs)	(5,477)	(33,161)
ii) Weighted Average number of equity shares used as denominator for calculating EPS	19,904,513	14,843,230
iii) Face Value per Equity Share (₹)	10.00	10.00
iv) Basic and Diluted Earnings per share (₹)	-27.51	-223.46

Note - 45

EARNINGS IN FOREIGN EXCHANGE	31st March 2018	31st March 2017
FOB Value of Exports	-	-
Billing Adjustment	-	-
Total	-	-
EXPENDITURE IN FOREIGN CURRENCY		
Interest and finance charges	-	-
Commission on Sales	-	-
Legal and Professional fees	-	-
Others	-	-
	-	-
	-	-

Note - 46

CONTINGENT LIABILITIES	31st March 2018	31st March 2017	1st April 2016
i. Guarantees given by Company's Bankers on behalf of the Company.	13,457	18,011	25,303
ii. Claims against the Company not acknowledged as debts:			
a) Central Sales Tax	791	791	791
b) VAT	165	117	117
c) Orissa Entry tax	144	34	34
d) Orissa Electricity Act	47	47	47
e) ITAT	5,470	5,470	5,470
f) CIT (A)	598	-	-
g) Recompense amount	15,086	15,086	15,086
iii. Corporate Guarantees given by Company (Refer Note No. 51)	8,700	8,700	8,700

However as per management perception, the above liabilities will not devolve upon the company in future.

Note - 47

CAPITAL COMMITMENTS	31st March 2018	31st March 2017	1st April 2016
Estimated value of contracts in capital account remaining to be executed	-	-	-

Note - 48**Segment Reporting As per Ind AS 108 "Operating Segments"**

Based on the policy set out under Significant Accounting Policy, the company follows "management Approach" for the purpose of deciding operating segments. The operating results of each major project locations are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to that location and assess its performance. Accordingly, the company has decided not to treat each project location as its operating segments considering huge number of project locations and its permanency.

Note 49
Additional Disclosures As per Ind AS 108 “Operating Segments
(i) Revenue From Customers Exceeding 10% of Total revenue

As per Para 34 of Ind AS 108 ,if revenues from transactions with a single external customer amount to 10 per cent or more of an entity’s revenues, the company is required to disclose that fact, the total amount of revenues from each such customer, and the identity of the segment or segments reporting the revenues. The details of such disclosure is as below :

Customer Name	% of Total Revenues	
	2017-18	2016-17
Executive Engineer NH Division-Sambalpur	16.75%	8.45%

(ii) Extent of Reliance on Major Customers

Extent of Reliance on Major Customers of the company can be depicted by assessing their sales chunk compared to total revenue of the operation. The percentage of group of major customer to its total revenue is as below :

Customer Name	% of Total Revenues	
	2017-18	2016-17
Top 10 Customers	58.99%	33.70%
Top 25 Customers	69.39%	36.87%

Note -50 RELATED PARTY DISCLOSURE AS PER Ind AS 24
(I) List of Related parties
a. Associate :

ARSS Developers Limited

b. Subsidiary

ARSS Damoh-Hirapur Tolls Private Limited

c. Joint Venture (AOP)

Niraj-ARSS JV

ARSS-Atlanta JV

Atlanta-ARSS JV

ARSS-HCIL Consortium JV

ARSS-Triveni JV

Patel-ARSS JV

Backbone-ARSS JV

Somdatt Builders-ARSS JV

ARSS-ANPR JV

HCIL Adhikarya-ARSS JV

ARSS GVR JV

HCIL-ARSSSPL-Triveni JV

HCIL-Kalindee ARSS JV

Harish Chandra-ARSSSPL JV

ARSS-MVPL JV

ARSS-Balaji JV

ARSS-SIPS JV

ARSS-SCPL JV

ARSS-BMS JV

d. Key Managerial Personnel

Name	Designation
Subash Agarwal	Chairman cum Director
Rajesh Agarwal	Managing Director
Sunil Agarwal	Chief Executive Officer
Anil Agarwal	Chief Operating Officer
S.K. Pattanaik	C. F. O.

The Company Secretary has not been considered as related party as she is not having the authority and responsibility for planning, directing and controlling the executive decision making activities of the entity, directly or indirectly. This is in line with Ind AS 24, "Related party transactions."

e. Close Family members of Key Managerial Personnel

None of the close members of all Key managerial Personnel's are considered as Related Party In accordance with Ind AS 24 considering the fact that they are neither participating nor influencing executive decision making of the company.

(II) Balances and Transactions with Related parties**a. Statement Of Profit And Loss Items**

Name	Particulars	Net Transaction During the Period	
		2017-18	2016-17
ARSS Atlanta ARSS JV	Sale Of Services	-	-
ARSS-ANPR JV	Sale Of Services	-	-
NIRAJ-ARSS JV	Sale Of Services	-	-
ARSS Bms JV	Consultancy Charges	16	4
ARSS Gvr JV	Sale Of Services	95	289
ARSS Triveni JV	Sale Of Services	-	111
Atlanta ARSS JV	Sale Of Services	1,984	3,223
Hcil-Adhikarya-ARSS JV	Sale Of Services	-	1,048
Patel ARSS JV	Sale Of Services	-	-
Shivam Condev Pvt Ltd (Material Sale)	Sale Of Services	4,797	5,955
Shivam Condev Pvt Ltd (Consultancy)	Sale Of Services	4	-
Shivam Condev Pvt Ltd (Rent)	Sale Of Services	14	13
Shivam Condev Pvt Ltd (Asset Sold)	Sale Of Services	215	-
Shivam Condev Pvt Ltd	Sale Of Services	1,516	-

b. Balance Sheet Items

Name	Particulars	2017-18	2016-17
Som Dutt Builders ARSS JV	Advance From Customer	1,685	-
Backbone-Arss Jv.	Advance From Customer	124	-
Patel-Arss Jv.	Advance From Customer	1,442	-
Anil Agarwal	Loan Received	-	20
ARSS Developers Ltd	Loan Received	-	2,421
Sabita Agarwal	Loan Received	-	150
Sunil Agarwal	Loan Received	-	150
Rajesh Agarwal	Loan Received	616	671
Ram Dulari Agarwal	Loan Received	-	98
Sangita Agarwal	Loan Received	-	79
Sanju Agarwal	Loan Received	-	75
Subash Agarwal	Loan Received	-	120

(III) Remuneration to key managerial personnel

Name	2017-18	2016-17
Anil Agarwal	42	42
Sunil Agarwal	42	42
Rajesh Agarwal	30	30
Subash Agarwal	33	33
Director Sitting Fees	15	16

Note 51
FINANCIAL HEDGING INSTRUMENTS
i) For hedging Currency Related Risks :

Forward Contracts - Outstanding Nominal Value

As at 3/31/2018	As at 3/31/2017	As at 4/1/2016
Nil	Nil	Nil

NOTE - 52
ASSETS PROVIDED AS SECURITY

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 01-April-16
Current Assets			
Financial Assets			
Trade Receivables	5,080	8,214	18,515
Other Financial Assets	8,328	9,914	14,395
Total Current assets provided as security	13,408	18,128	32,910
Non-Financial Assets			
Non-Current assets			
Property, Plant and Equipment :			
i) Tangible Assets	8,537	20,507	26,383
ii) Intangible Assets	-	-	-
Inventories	6,175	5,869	55,775
Other Financial Assets	133,238	88,236	93,046
Total Non-Current assets provided as security	147,950	114,613	175,204
Total Assets provided as Security	161,358	132,740	208,114

NOTE - 53

The obligations on long term , non-cancellable finance leases payable as per the respective agreements are as follows :-

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 01-April-16
Future minimum lease payable	-	-	-
Not Later than 1 year	-	-	-
Later than 1 year and not later than 5 years	-	-	-
Later than 5 year	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>

NOTE - 54**Recognition of Corporate Guarantee as Financial Liability**

Financial guarantee is a contractual right of the lender to receive cash from the guarantor, and a corresponding contractual obligation of the guarantor to pay the lender, if the borrower defaults. The contractual right and obligation exist because of a past transaction or event (assumption of the guarantee), even though the lender's ability to exercise its right and the requirement for the guarantor to perform under its obligation are both contingent on a future act of default by the borrower. A contingent right and obligation meet the definition of a financial asset and a financial liability, even though such assets and liabilities are not always recognized in the financial statements. Based on the measurement principles laid down under Ind AS 109 "Financial Instrument :Recognition and Measurement", the fair value of all those financial guarantee contracts reasonable below to the materiality threshold limit set by the company. Accordingly the entity has made appropriate disclosure in Note 43 without additionally recognizing any financial assets or liability.

NOTE - 55**Micro, Small and Medium Enterprises (MSME) Dues Disclosure**

There are no Micro and Small enterprises to whom the Company owes dues which are outstanding for a period of more than 45 days as at the balance sheet date. The above information and that given under Current liabilities regarding Micro, Small and Medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

NOTE - 56**Estimated Useful Lives of Property Plant & Equipment (PPE)**

Financial Classification	Nature	Useful Lives	
		As per Management Estimate	As per SCH-II of Companies Act 2013
Freehold Building	Building (Factory)	30 Years	30 Years
	Building (Non Factory)	60 Years	60 Years
Furniture, Fittings and Equipment	Furniture Fixtures	10 Years	10 Years
Office Equipment	Computer	3 Years	3 Years
Plant & Equipment	Plant & Machinery(Non-Earth Moving)	15 Years	12 Years
	Plant & Machinery(Earth Moving)	9 Years	12 Years
Vehicles	Motor car	8 years	8 years

The useful life has remained constant for transition, comparative and reporting period

(All amounts in INR Lakhs, unless otherwise stated)

NOTE - 57

Nature and Purpose of Reserves Disclosed under Other Equity

Particulars	Purpose
General Reserve	General Reserve has been created to comply with requirements of erstwhile Company's Act 1956 with regard to Payment of dividend.
Retained Earnings	Retained Earnings contains the balance of retained earnings to carry forward. It is fully distributable and shown as part of shareholders' reserves on the balance sheet.
Securities Premium Reserve	Securities Premium Reserve has been created for issue of equity shares at a premium.

NOTE - 58

Covenants of Borrowings

(i) Details of Repayment Schedule, Interest Rate of Borrowings as on 31 March 2018 :

Term Loan	Repayment Tenure (As per CDR)	Rate of Interest
SBI - WCTL	4 years	10.50%
SBI - TL	4 years	10.50%
PNB - WCTL	4 years	10.50%
PNB - TL	4 years	10.50%
ICICI - WCTL	4 years	10.50%
ICICI - TL	4 years	10.50%
BOI - WCTL	4 years	10.50%
BOI - TL	4 years	10.50%
IDBI - WCTL	4 years	10.50%
IDBI - TL	4 years	10.50%
EXIM - WCTL	4 years	10.50%
EXIM - TL	4 years	10.50%

(ii) Details of Repayment Schedule, Interest Rate of Borrowings as on 31 March 2017 :

Term Loan	Repayment Tenure(As per CDR)	Rate of Interest
SBI - WCTL	5 years	10.50%
SBI - TL	5 years	10.50%
PNB - WCTL	5 years	10.50%
PNB - TL	5 years	10.50%
ICICI - WCTL	5 years	10.50%
ICICI - TL	5 years	10.50%
BOI - WCTL	5 years	10.50%
BOI - TL	5 years	10.50%
IDBI - WCTL	5 years	10.50%
IDBI - TL	5 years	10.50%
EXIM - WCTL	5 years	10.50%
EXIM - TL	5 years	10.50%
KMBL - TL	1 year	12.50%

(iii) Details of Repayment Schedule, Interest Rate of Borrowings as on 1 April 2016 :

Term Loan	Repayment Tenure(As per CDR)	Rate of Interest
SBI - FITL	1 year	10.00%
SBI - WCTL	6 years	10.50%
SBI - TL	6 years	10.50%
PNB - FITL	1 year	10.00%
PNB - WCTL	6 years	10.50%
PNB - TL	6 years	10.50%
ICICI - FITL	1 year	10.00%
ICICI - WCTL	6 years	10.50%
ICICI - TL	6 years	10.50%
BOI - FITL	1 year	10.00%
BOI - WCTL	6 years	10.50%
BOI - TL	6 years	10.50%
IDBI - FITL	1 year	10.00%
IDBI - WCTL	6 years	10.50%
IDBI - TL	6 years	10.50%
EXIM - FITL	1 year	10.00%
EXIM - WCTL	6 years	10.50%
EXIM - TL	6 years	10.50%
HDFC - TL	3 months	10.50%
KMBL - TL	2 years	12.50%
SREIEFL - TL	1 year	10.50%

Note 59-First Time adoption of Ind AS

The accounting policy set out in Note 2 have been applied in preparing the financial statements for the year ended 31st March 2018, the comparative information presented in these financial statements for the year ended 31st March 2017 and in the preparation of an opening Ind AS Balance sheet at 1st April 2016(transition date). In preparing its opening Ind AS balance sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (Previous GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemption Availed**1. Deemed Cost for Property, Plants & Equipments**

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its Property , Plant & Equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition . Accordingly the company has elected to measure all of its Property, Plant & Equipment, Intangible assets at their previous GAAP carrying value.

2. Designation of previously recognized financial instruments.

Ind AS 101 allows an entity to designate investments in equity instruments at FVTOCI on the basis of the facts and circumstances at the date of transition to Ind AS. The company has elected to apply this exemption for its investment in equity investments.

3. Deemed Cost For Investment In Joint Ventures

Ind AS 101 allows a first time adopter to measure the investments in joint ventures one of the following amounts in its standalone opening Ind AS Balance Sheet

- i) Cost determined in accordance with Ind AS 27
- ii) Deemed Cost

Deemed Cost of such an investment shall be either of fair value at the date of transition or previous GAAP carrying amount at that date. The company has opted previous GAAP carrying amount as deemed cost of Investments In Joint Ventures at transition date.”

B. Mandatory Exceptions

1. Estimates

An entity’s estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies). Ind AS estimates as at 1st April,2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in equity instruments carried at FVTPL or FVOCI; and
- Impairment loss/gain on Financial assets.”

2. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

3. De-recognition of financial assets and liabilities

Ind AS 101 requires a first time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

C. Transition to Ind AS -Reconciliation

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101:

- I) Reconciliation of Balance sheet as at April 1,2016 and March 31, 2017
- II) Reconciliation of Statement of Profit and Loss for the year ended March 31, 2017
- III) Reconciliation of Equity as at April 1,2016 and March 31, 2017

The presentation requirements under Previous GAAP differs from Ind AS and hence, Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The Regrouped Previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP.”

I. Reconciliations of Balance Sheet as at April 1, 2016 and March 31, 2017

(a) Reconciliations of Balance Sheet as at April 1, 2016

(Rupees in INR' Lakhs)

Particulars	Note No.	As at 1 st April, 2016 (Previous GAAP)	Adjustments	As at 1 st April,2016 (Ind AS)
I. ASSETS				
1. Non-current Assets				
(a) Property, Plant and Equipments	1	26,609	(102)	26,507
(b) Capital Work-in-progress		-	-	-
(c) Intangible Assets		-	-	-
(d) Financial Assets		-	-	-
(i) Investments	4,7 & 3	3,937	(15)	3,922
(ii) Trade Receivables		-	-	-
(ii) Loans	4	93,478	(93,153)	325
(iii) Other Financial Assets		-	93,599	93,599
(e) Other Non-current Asset		-	16	16
2. Current Assets				
a. Inventories	1	55,783	(8)	55,775
b. Financial Assets		-	-	-
(i) Investments		-	-	-
(ii) Trade Receivables	4 & 3	26,989	(8,474)	18,515
(iii) Cash & Cash Equivalents	4	7,600	(6,186)	1,414
(iv) Bank Balances Other Than three above	4	-	6,186	6,186
(v) Loans	4 & 6	26,020	(17,811)	8,209
(vi) Other Financial Assets	4	-	16,389	16,389
c. Current Tax Assets (Net)	4	-	6,984	6,984
d. Other Current Assets	4	-	2,074	2,074
3. Asset Held For Disposal	1	-	107	107
TOTAL		<u>240,416</u>	<u>(394)</u>	<u>240,022</u>
II. EQUITY AND LIABILITIES				
1. Equity				
a. Equity Share Capital	5	2,984	(1,500)	1,484
b. Other Equity	9	35,227	151	35,378
2. Liabilities				
(I) Non-current liabilities				
a. Financial Liabilities				
(i) Borrowings	4	73,236	(73,236)	
(ii) Trade Payables		-	8	8
(iii) Other Financial Liabilities		-	108	108
b. Provisions	4	-	73	73
c. Deferred Tax Liabilities (net)	3	2,817	(418)	2,399
d. Other Non-current Liabilities		-	55,129	55,129
(II) Current liabilities				
a. Financial Liabilities				
(i) Borrowings		94,549	-	94,549
(ii) Trade Payables	4	5,484	(475)	5,009
(iii) Other Financial Liabilities	4	-	42,731	42,731
b. Provisions	4	127	(112)	15
c. Other Liabilities	4	25,992	(22,853)	3,139
d. Current Tax Liability (Net)		-	-	-
TOTAL		<u>240,416</u>	<u>(394)</u>	<u>240,022</u>

(b) Reconciliations of Balance Sheet as at March 31,2017

(Rupees in INR' Lakhs)

Particulars	Note No.	As at 31 st March, 2017 (Previous GAAP)	Adjustments	As at 31 st March,2017 (Ind AS)
I. ASSETS				
1. Non-current Assets				
(a) Property,Plant and Equipments	1	20,657	0	20,657
(b) Capital Work-in-progress		-	-	-
(c) Intangible Assets		-	-	-
(d) Financial Assets		-	-	-
(i) Investments	4,7 &3	4,256	(66)	4,190
(ii) Trade Receivables		-	-	-
(iii) Loans	4	87,904	(87,571)	333
(iv) Other Financial Assets		-	88,025	88,025
(e) Other Non-current Asset		-	-	-
2. Current Assets				
a. Inventories	1	5,874	(5)	5,869
b. Financial Assets				
(i) Investments		-	-	-
(ii) Trade Receivables	4 & 3	12,553	(4,339)	8,214
(iii) Cash & Cash Equivalents	4	7,434	(5,807)	1,627
(iv) Bank Balances Other Than three above	4	-	5,807	5,807
(v) Loans	4 &6	46,131	(42,024)	4,107
(vi) Other Financial Assets	4	-	37,492	37,492
c. Current Tax Assets (Net)	4	-	6,325	6,325
d. Other Current Assets	4	-	1,875	1,875
3. Asset Held For Disposal	1	-	2	2
TOTAL		<u>184,809</u>	<u>(286)</u>	<u>184,523</u>
II. EQUITY AND LIABILITIES				
1. Equity				
a. Equity Share Capital	5	2,984	(1,500)	1,484
b. Other Equity	9	2,165	51	2,216
2. Liabilities				
(i) Non-current Liabilities				
a. Financial Liabilities				
(i) Borrowings	4	65,835	1,500	67,335
(ii) Trade Payables		-	-	-
(iii) Other Financial Liabilities		-	-	-
b. Provisions	4	-	70	70
c. Deferred Tax Liabilities (net)	3	2,236	(336)	1,900
d. Other Non-current Liabilities		-	108	108
(ii) Current Liabilities				
a. Financial Liabilities				
(i) Borrowings		101,599	-	101,599
(ii) Trade Payables	4	5,477	(582)	4,896
(iii) Other Financial Liabilities	4	-	3,379	3,379
b. Provisions	4	-	18	18
c. Other Current Liabilities	4	4,512	(2,994)	1,518
d. Current Tax Liability (Net)		-	-	-
TOTAL EQUITY and LIABILITIES		<u>184,809</u>	<u>(286)</u>	<u>184,523</u>

C. Reconciliation of Statement of Profit and Loss for the year ended March 31, 2017

(Rupees in INR' Lakhs)

Particulars	Note No.	31 st March, 2017	Adjustments	31 st March, 2017
		(Previous GAAP)		(Ind AS)
Income				
I. Revenue from Operations	4 & 6	85,036	(1,371)	83,665
II. Other Incomes	4	1,535	(157)	1,378
III. Other Gains/(Losses)	4 & 6	-	111	111
Total Income		86,571	(1,417)	85,154
IV. Expenses				
(a) Cost of Materials Consumed	4	17,319	(255)	17,064
(b) Cost Of Goods/Services Sold	4		16,340	16,340
(c) Change in Inventories (Increase) /Decrease		46,660	-	46,660
(d) Depreciation and Amortization expenses	1	3,259	4	3,263
(e) Employee Benefit Expenses		2,764	0	2,764
(f) Finance cost	4	8,215	(516)	7,699
(g) Other Expenses	3 & 4	41,977	(16,974)	25,003
Total expenses		120,194	(1,401)	118,793
V. Profit Before exceptional and tax		(33,623)	(16)	(33,639)
Exceptional items		-	-	-
VIII. Profit before Taxes		(33,623)	(16)	(33,639)
IX. Provision for Taxes				
(a) Current Tax	2			
(B) Tax of Earlier Years		(20)	-	(20)
(b) Deferred Tax		581	(82)	498
X. Profit (Loss) for the Period		(33,062)	(98)	(33,161)
XI. Other Comprehensive Income				
A (i) Items that will not be reclassified to profit or loss :				
(a) Changes in investments in equity shares carried at Fair Value through OCI		-	-	-
(b) Re-measurement of defined employee benefit plans		-	-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss :		-	-	-
- on Revaluation Surplus on Property, Plant & Equipment		-	-	-
- on Re-measurement of defined employee benefit plans		-	-	-
B (i) Items that will be reclassified to profit or loss:		-	-	-
(a) Changes in investments other than equity shares carried at Fair Value through OCI (FVOCI)		-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss :		-	-	-
XII. Total Other comprehensive Income after tax		-	-	-
XIII. Total comprehensive income for the period		(33,062)	(98)	(33,161)

d. Reconciliation of Equity as at April 1,2016 and March 31, 2017

(Rupees in INR' Lakhs)

Particulars	Note No	As at 31-March-17	As at 1-April-16
Total equity as per previous GAAP		5,149	38,212
Debt Component Of Equity Instruments	5	(1,500)	(1,500)
Deferred taxes under balance sheet approach	3	336	418
Elimination of finance component of debt revenue	6	(231)	
Reserves for equity instruments through OCI	2	-	-
Remeasurement of Investment in Joint venture	7	(52)	-
Restatement of Property,Plant and Equipment	1	(3)	(3)
Impairment Losses on Financial Assets	4	-	(264)
Others	1	3	
Total equity as per Ind AS		3,702	36,863

Notes to first time adoption

1. Property,Plant and Equipment :

- a) As per paragraph six of Ind AS 105" Non-Current Assets Held for sale and Discontinued Operations " An entity shall classify a non current asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Accordingly the company has classified an amount of ₹ 107 Lakhs as on transition date and ₹ 2 Lacs as on comparative date as Asset held for Disposal.
- b) As per paragraph eight of Ind AS 16 "Property,Plant and Equipment" Stores & Spares, which meet the definition of Property,Plant and Equipment shall be recognised as Property,Plant and Equipment else will be recognised as Inventories in accordance with Ind AS 2 "Inventories:" Accordingly the company has recognised an amount of ₹ 8 Lakhs as on transition date and ₹ 5 Lacs as on comparative date as Asset held for Disposal.

Considering above two adjustments the net Ind AS impact on "Property,Plant and Equipment" ₹ 99 lakhs(107 lakhs-8 lakhs) as on transition date and ₹ 5 lakhs in comparative period."

2. Deferred Taxes

Under previous GAAP, deferred taxes were recognised based on Profit & loss approach i.e. tax impact on difference between the accounting income and taxable income. Under Ind AS 12 "Income Taxes " deferred tax is recognised by following balance sheet approach i.e. tax impact on temporary difference between the carrying value of asset and liabilities in the books and their respective tax base. Consequently the impact is as below :-

As on Transition date i.e. 1st April 2016 :: ₹ 418Lakhs of deferred tax assets additional

As on Comparative date i.e. 31st Mar 2017 :: RS 336Lakhs of deferred tax assets additional"

3. Impairment of Trade receivables

As per Ind AS 109 Financial Instrument "Recognition and Measurement " the company is required to apply expected credit loss model for recognising the impairment loss on trade receivables. Accordingly, the company has created additional allowances for impairment loss (exclusive of fully credit impaired receivables) to the tune of following amounts :-

#As on Transition date i.e. 1st April 2016 :: ₹ 264Lakhs

As on Comparative date i.e. 31st Mar 2017 :: RS 328 Lakhs reversal"

4. Reclassification and Regrouping

As per Ind AS 101 "First-time Adoption of Indian Accounting Standards "reclassify items that it recognised in accordance with previous GAAP as one type of asset, liability or component of equity, but are a different type of asset, liability or component of equity in accordance with Ind AS. Accordingly the company has reclassified certain items based on its nature.

5. Preference Share Capital

As per paragraph Nineteen of Ind AS 32 “Financial Instruments: Presentation” if an entity doesn’t have an unconditional right to avoid delivering cash or another financial asset to settle a contractual obligation, the obligation meets the definition of a financial liability.

Accordingly the company has recognised Preferential Capital issued in accordance with CDR scheme as Financial Liability under Non-Current Borrowings.”

6. Discounting of Deferred Consideration

Deferred consideration in the nature of retention money, security deposits or withhold money should be discounted in order to arrive at the fair value of the consideration receivable from the contract in accordance with para 12 of IndAS 11, Construction contracts. Accordingly revenue has been reduced to the extent of ₹ 231 lakhs in comparative period.

7. Profit Elimination in Investment in Joint Ventures

In accordance with paragraph 10 of Ind AS 27 “Separate Financial Statements” the entity has accounted investment in Joint Venture at cost in its separate financial statement. Accordingly , there is remeasurement of value of investment in joint venture to the tune of ₹ 52 lakhs in comparative period.

8. Other comprehensive income

Under Ind AS , all items of income and expenses recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expenses that are not recognised in profit and loss but are shown in the statement of profit and loss as ‘other comprehensive income’ includes re-measurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

9. Other Equity

Other Equity has been adjusted consequent to the above Ind AS transition adjustments.

Note - 60

Figures for the previous year have been re-arranged and re-grouped wherever necessary.

As per our report of even date attached.

For Ajay B Garg

Chartered Accountants

CA. Ajay B Garg

(Proprietor)

M.No.- 032538

Subash Agarwal

(Chairman)

DIN: 00218066

Rajesh Agarwal

(Managing Director)

DIN : 00217823

For and on behalf of the Board

S.K. Pattanaik

(Chief Finance Officer)

Alka Khemka

(Company Secretary)

Bhubaneswar

Date : The 30th day of May, 2018

Independent Auditor's Report

To

The Members of

M/s. ARSS Infrastructure Projects Limited

CIN : L14103OR2000PLC006230

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

Mancheswar Industrial Estate

Bhubaneswar-751 010, Odisha.

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of M/s. ARSS Infrastructure Projects Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act, read with the relevant rules issued thereunder.

The respective Board of Directors of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters, which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Basis for Qualified Opinion

- a) In the absence of audited books of accounts of Balaji-ARSS JV, ARSS-MVPL JV, ARSS-SIPS JV, ARSS-BMS JV, consolidated Ind AS financials statement has not considered these joint ventures.
- b) In absence of relevant records, Contract-wise surplus/loss has neither been ascertained nor recognized in compliance with Ind AS-115 'Revenue from contract with customers'.
- c) The holding company has overdue accumulated secured debts amounting to ₹1491.49 Crores subject to reconciliation interest thereon from 01.04.2016. Banks has classified it as NPA. No interest has been charged on these secured debts to the Profit & Loss account resulting in understatement of loss to that extent and understatement of liability. Secured lenders have served notices on various dates under section 13(2) of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 for recovery of their dues.
- d) Interest on Service Tax payable of ₹88.03 Lakhs has not provided by the holding company, resulting to underreporting of loss to that extent.
- e) Interest on Mobilization Advance Received of ₹365.89 Lakhs has not been provided by the holding company, resulting to underreporting of loss to that extent.
- f) Status of rights and title on the capital work-in-progress of the subsidiary company valued at ₹106.89 Crores has neither been verified and ascertained nor the effect of the same has been accounted for in the financial statements.
- g) Interest on loan from bank of ₹73.06 Crores has not been provided by the subsidiary company, thereby understatement of liability to that extent.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, we state that except for possible effect of the matter described in the 'Basis for Qualified Opinion' paragraph above, the aforesaid consolidated Ind AS 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 including the Ind AS, of the consolidated state of affairs (financial position) of the Group as at 31st March, 2018, and its consolidated loss (financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Emphasis of Matters

Without qualifying our opinion, we draw attention to the following matters in the Notes to the consolidated Ind AS financial statements:

- a) We draw attention to the Note No. 22 to accompanying consolidated Ind AS financial statement, wherein, holding company has recognized claims receivables from various agencies amounting to ₹13055 Lakhs as revenue during the year in view of increased certainty of the same.
- b) We draw attention to the Note No. 5 to accompanying consolidated Ind AS financial statement, wherein, based on expert advice and management estimation, holding company has made downward revaluation of fixed assets by ₹9510.76 Lakhs to represent it at fair value.
- c) We draw attention to the Note No. 28 to accompanying consolidated Ind AS financial statement, wherein, director's remuneration given by holding company is pending for approval from Central Government.
- d) We draw attention to the Note. 16 to the consolidated Ind AS financial statement, wherein, Central Bureau of Investigation (CBI) has conducted raid in April 2018 on the Company in pursuance of complaint filed by Central Bank of India for investigation of default in repayment of loan. This loan has been classified as NPA by the bank. Subsidiary company has defaulted in repayment of this loan of ₹73.06 Crores on maturity and payment of Interest thereon. These conditions also indicate the existence of a material uncertainty that may cast apprehension about the subsidiary company's ability to function as a going concern. However, the financial statements of the subsidiary company has been prepared on a going concern basis.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, not applicable to consolidated financial statement and hence not commented upon.

2. As required by Section 143 (3) of the Act, we report that:

- (a) we have sought and obtained, except for the matter described in the *sub para 'a' and sub para 'b'* of the 'Basis for Qualified Opinion' paragraph above, all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
- (b) except for the possible effect of the matter described in the 'Basis for Qualified Opinion' paragraph above, in our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- (c) the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purposes of preparation of the consolidated Ind AS financial statements.
- (d) except for the possible effect of the matter described in the 'Basis for Qualified Opinion' paragraph above, in our opinion the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) on the basis of the written representations received from the directors of the Holding Company as on 31 March 2018 taken on record by the Board of Directors of the Holding Company and on the basis of the relevant assertion contained in the audit reports on standalone financial statements of the Holding Company and each of its subsidiary, associates and joint venture, none of the directors of any such company are disqualified as on 31 March 2018 from being appointed as a director of that company in terms of Section 164(2) of the Act.
- (f) the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- (g) with respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiary, associates & joint venture and the operating effectiveness of such controls, refer to our separate Report in "Annexure-B".
- (h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated Ind AS financial statements has disclosed the impact of pending litigations on its financial position in its consolidated Ind AS financial statements, Refer Note No. 9, 28 and 46 to the consolidated Ind AS financial statements.
 - ii. the Group did not have any Long term contract including derivatives contract as such the question of commenting on any material foreseeable losses thereon does not arise.
 - iii. there has not been an occasion during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

For Ajay B Garg
Chartered Accountant

A Garg
Proprietor
Mem No. 32538

Place of Signature : Mumbai
Dated : 30th May 2018

‘Annexure – B’ to the Independent Auditor’s Report

[Referred to in paragraph 2(g) under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the consolidated Ind AS financial statements for the year ended March 31, 2018.]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **M/s. ARSS Infrastructure Projects Limited** (‘the Company’), as of 31 March 2018 in conjunction with our audit of the consolidated Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The respective Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Group’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated Ind AS financial statements for external purposes in accordance with generally accepted accounting principles including Ind AS. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated Ind AS financial statements in accordance with generally accepted accounting principles including Ind AS, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the consolidated Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company and its subsidiary, associates and joint-venture companies have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Ajay B Garg**
Chartered Accountant

A Garg
Proprietor
Mem No. 32538

Place : Mumbai

Dated : 30th May 2018

CONSOLIDATED BALANCE SHEET

(Rupees in INR' Lakhs)

	Note No.	As at 31 st -Mar-18	As at 31 st -Mar-17	As at 1 st -April-16
I. ASSETS				
1. Non-current Assets				
(a) Property, Plant and Equipment	5	8,683	20,660	26,506
(b) Capital Work-in-progress	5	10,689	9,906	10,569
(c) Intangible Assets	5	-	-	-
(d) Financial Assets				
(i) Investments	6	1,024	1,342	1,911
(ii) Trade Receivables	7	-	-	-
(iii) Loans	8	195	333	325
(iv) Other Financial Assets	9	133,045	88,025	92,867
(e) Deferred Tax Assets (net)	11	1,097	-	-
(f) Other Non-Current Assets	10	15	15	31
2. Current Assets				
a. Inventories	12	6,175	5,869	55,775
b. Financial Assets				
(i) Investments	6	-	-	-
(ii) Trade Receivables	7	5,080	8,214	18,516
(iii) Cash & Bank Balance	13	6,510	1,698	1,417
(iv) Bank Balances Other Than Three Above	13	3,363	5,807	6,186
(v) Loans	8	4,965	4,107	8,209
(vi) Other Financial Assets	9	290	37,492	16,390
c. Current Tax Assets (Net)	21	5,018	6,325	6,984
d. Other Current Assets	10	1,456	1,875	2,074
3. Asset Held For Disposal				
TOTAL ASSETS	5	-	2	107
		<u>187,605</u>	<u>191,670</u>	<u>247,867</u>
II. EQUITY AND LIABILITIES				
1. Equity				
a. Equity Share Capital				
b. Other Equity	14	2,274	1,484	1,484
2. Non-Controlling Interest	15	946	1,580	34,844
3. Liabilities		4	4	4
(i) Non-current Liabilities				
a. Financial Liabilities				
(i) Borrowings				
(ii) Proceeds (Purchase) of Capital Work In Progress	16	66,306	73,249	61,739
(iii) Other Financial Liabilities	17	-	-	-
b. Provisions	18	-	-	8
c. Deferred Tax Liabilities (net)	19	61	70	74
d. Other Non-current Liabilities	11	-	1,901	2,399
(ii) Current Liabilities	20	108	108	108
a. Financial Liabilities				
(i) Borrowings				
(ii) Trade Payables	16	102,152	101,966	94,948
(iii) Other Financial Liabilities	17	4,982	4,896	5,571
b. Provisions	18	9,090	4,771	43,429
c. Other Current Liabilities	19	27	18	15
d. Current Tax Liability (Net)	20	1,655	1,623	3,244
TOTAL EQUITY AND LIABILITIES	21	-	-	-
		<u>187,605</u>	<u>191,670</u>	<u>247,867</u>

Significant Accounting Policies and Notes to Accounts

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached.

For Ajay B Garg
Chartered Accountants

For and on behalf of the Board

CA. Ajay B Garg

(Proprietor)

M.No.- 032538

Subash Agarwal

(Chairman)

DIN: 00218066

Rajesh Agarwal

(Managing Director)

DIN : 00217823

S. K. Pattanaik

(Chief Finance Officer)

Alka Khemka

(Company Secretary)

Bhubaneswar

Date : The 30th day of May, 2018

Consolidated Profit and Loss for the Period ended on

	Note	(Rupees in INR' Lakhs)	
		For the year ended 31 st -Mar-18	For the year ended 31 st -Mar-17
Income			
I. Revenue From Operations	22	58,434	83,665
II. Other Income	23	1,404	1,379
III. Other Gains/(Losses)	24	502	111
Total Income		60,340	85,155
IV. Expenses			
(a) Cost of Materials Consumed	25	12,805	17,064
(b) Cost of Goods/Services Sold	27	22,380	16,340
(c) Change in Inventories (Increase) /Decrease	26	1,193	46,660
(d) Depreciation and Amortization expenses	5	2,394	3,263
(e) Employee Benefit Expenses	28	2,950	2,764
(f) Finance cost	29	3,725	7,699
(g) Other Expenses	30	22,771	25,003
Total Expenses		68,217	118,793
V. Profit before exceptional items, share of net profits of investments accounted for using equity method of tax		(7,877)	(33,638)
Share of net profit or associates and joint ventures accounted using equity method		(366)	(104)
Exceptional Items		-	-
VI. Profit Before Exceptional Items and Tax		(8,243)	(33,742)
Exceptional Items		-	-
VII. Profit Before Taxes		(8,243)	(33,742)
VIII. Tax Expenses			
(a) Current Tax		-	-
(b) Tax of Earlier Years		(595)	(20)
(c) Deferred Tax		2,996	498
VIII. Profit (Loss) for the Period		(5,842)	(33,264)
IX. Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss :			
(a) Changes in investments in equity shares carried at Fair Value through OCI			
(b) Re-measurement of defined employee benefit plans		(5)	-
(ii) Income tax relating to items that will not be reclassified to profit or loss :			
- on Revaluation Surplus on Property, Plant & Equipment		-	-
- on Re-measurement of defined employee benefit plans		2	-
B (i) Items that will be reclassified to profit or loss :			
(a) Changes in investments other than equity shares carried at Fair Value through OCI (FVOCI)		-	-
Proceeds (Purchase) of Capital Work In Progress		-	-
X. Total Other comprehensive Income after tax		(3)	-
XI. Total comprehensive income for the period		(5,845)	(33,264)
XII. Earnings per equity share:			
(1) Basic	44	(29.35)	(224.10)
(2) Diluted	44	(29.35)	(224.10)

Significant Accounting Policies and Notes to Accounts

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For Ajay B Garg

Chartered Accountants

CA. Ajay B Garg

(Proprietor)

M.No.- 032538

Subash Agarwal

(Chairman)

DIN: 00218066

Rajesh Agarwal

(Managing Director)

DIN : 00217823

For and on behalf of the Board

S. K. Pattanaik

(Chief Finance Officer)

Alka Khemka

(Company Secretary)

Bhubaneswar

Date : The 30th day of May, 2018

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Rupees in INR' Lakhs)

A. Equity Share Capital

Particulars	Amount
As at 1 April 2016	1,484
Changes in equity share capital	-
As at 31 March 2017	1,484
Changes in equity share capital	789
As at 31 March 2018	2,273

B. Other Equity

Particulars	Attributable to owners of ARSS Infrastructure Projects Limited						Total other equity
	Share Application Money	Reserves & Surplus			Other reserves		
		General Reserves	Securities premium reserve	Retained earnings	FVOCI-equity investments	Capital Reserves	
Balance at 1 April 2016	-	727	14,736	19,381	-	-	34,844
Profit for the year	-	-	-	(33,264)	-	-	(33,264)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(33,264)	-	-	(33,264)
Other Adjustments	-	-	-	-	-	-	-
Issue of equity shares	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-
Balance at 31 March 2017	-	727	14,736	(13,883)	-	-	1,580
Profit for the year	-	-	-	(5,842)	-	-	(5,842)
Other comprehensive income	-	-	-	(3)	-	-	(3)
Total comprehensive income for the year	-	-	-	(5,845)	-	-	(5,845)
Issue of equity shares	-	-	5,211	-	-	-	5,211
Balance at 31 March 2018	-	727	19,947	(19,728)	-	-	946

As per our report of even date attached

For Ajay B Garg
Chartered Accountants

CA. Ajay B Garg
(Proprietor)
M.No.- 032538

Subash Agarwal
(Chairman)
DIN: 00218066

Rajesh Agarwal
(Managing Director)
DIN : 00217823

S. K. Pattanaik
(Chief Finance Officer)

Alka Khemka
(Company Secretary)

Bhubaneswar

Date : The 30th day of May, 2018



CONSOLIDATED STATEMENT OF CASH FLOWS

Particulars	(Rupees in INR' Lakhs)	
	Year Ended 31 st March'2018	Year Ended 31 st March'2017
Operating Activities		
Profit before tax from continuing operations	(8,243)	(33,742)
Profit/(loss) before tax from discontinuing operations	-	-
Profit before tax	(8,243)	(33,742)
Adjustments for		
Depreciation on Property, plant and equipment	2,394	3,263
Loss/(Gain) on Sale of Property, plant and equipment	9,284	236
Re-measurement of defined employee benefit plans	(5)	-
Interest Income	(1,261)	(556)
Assets held for disposal	-	-
Dividend Income	-	-
Operating profit / (loss) before working capital changes	2,169	(30,799)
Working capital adjustments:		
Increase/(decrease) in short-term Borrowings	186	7,018
Increase/(decrease) in Trade payables	86	(675)
Increase/(decrease) in other current liabilities	32	(1,621)
Increase/(decrease) in other long-term liabilities	-	-
Decrease/(increase) in trade receivables	3,134	10,302
Decrease/(increase) in inventories	(306)	49,906
Decrease/(increase) in other current assets	419	199
Decrease/(increase) in other non-current assets	-	16
Decrease/(increase) in other non-current financial assets	(45,020)	4,842
Decrease/(increase) in other current financial assets	37,202	(21,102)
Decrease/(increase) in assets held for disposal	2	105
Decrease/(increase) in other non-current financial liabilities	-	(8)
Decrease/(increase) in other current financial liabilities	4,319	(38,659)
Decrease/(increase) in short-term loans and advances	(858)	4,102
Decrease/(increase) in Long-term loans and advances	138	(8)
	1,502	(16,382)
Income taxes paid	712	639
NET CASH INFLOW FROM OPERATING ACTIVITIES (A)	2,214	(15,743)
Investing Activities		
Purchase of property, plant and equipment	(53)	(94)
Purchase of Intangible Assets	-	-
Proceeds (Purchase) of Capital Work In Progress	(783)	663
Proceeds from Sale of property, plant and equipment	352	2,441
(Purchase)/Sale of Investments	318	569
Interest received (finance income)	1,261	556
Dividend received (finance income)	-	-
NET CASH OUTFLOW FROM INVESTING ACTIVITIES (B)	1,096	4,135
Financing Activities		
Proceeds from issue of equity shares	790	-
Proceeds from securities premium	5,211	-
Interest paid	-	-
Proceeds/(Repayment) from borrowings	(6,943)	11,510
Dividends paid including Dividend Distribution Tax	-	-
NET CASH INFLOW (OUTFLOW) FROM FINANCING ACTIVITIES(C)	(942)	11,510
Net increase (decrease) in cash and cash equivalents (A+B+C)	2,368	(98)
Cash and cash equivalents at the beginning of the year	7,505	7,603
Cash and cash equivalents at year end	9,873	7,505

This Statement of Cash Flows has been prepared as per indirect method in accordance with Ind AS 7, "Statement of Cash Flows".

As per our report of even date attached

For Ajay B Garg
Chartered Accountants

For and on behalf of the Board

CA. Ajay B Garg

Subash Agarwal

Rajesh Agarwal

S.K. Pattanaik

Alka Khemka

(Proprietor)

(Chairman)

(Managing Director)

(Chief Finance Officer)

(Company Secretary)

M.No.- 032538

DIN: 00218066

DIN : 00217823

Bhubaneswar

Date : The 30th day of May, 2018

Notes to the Financial Statements for the year ended 31st March, 2018

1) Company Overview

ARSS infrastructure Projects Limited (the company) is a public limited company incorporated and domiciled in India. The company has its primary listings on the BSE Limited and National Stock Exchange of India Limited, in India. The company is engaged in execution of contracts of various infrastructure projects including road work, bridge work, railway tracking and irrigation projects. The company has prepared consolidated financial statements in pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014.

2) SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

(i) Compliance with Ind AS :

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

The financial statements up to year ended 31 March, 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements under Ind AS. Refer to **Note No 62** for an explanation of how the transition from previous GAAP to Ind AS has affected the company financial position, financial performance and cash flows.

(ii) Historical cost convention :

The financial statements have been prepared under the historical cost convention, except for the following:

- a) Certain financial assets and liabilities that is measured at fair value;
- b) Net Defined Obligations; and
- c) Assets held for sale.

(iii) Current And Non -Current Classification

All assets and liabilities have been classified as current and non-current as per the company's operating cycle and other criteria set out in the Division II of Schedule III to the Companies Act, 2013. The company has ascertained its operating cycle as 12 months for the purpose of current and non-current classifications.

2.2. Property, plant and equipment, Intangible Assets and Capital Work-in-progress

i) Recognition and Measurement

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

The cost of Property, plant and equipment not available for use as on each reporting date are disclosed under capital work-in-progress.

ii) Transition to Ind AS

On transition to Ind AS, the entity has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

iii) Depreciation methods, estimated useful lives and residual value

- a) Depreciation is calculated using the Straight Line Method (SLM) to allocate their cost, net of their residual values over their estimated useful life. The useful life has been determined based on the technical evaluation done by the independent experts.
- b) Any asset whose aggregate actual cost does not exceed five thousand rupees has been fully charged off in the year of addition.
- c) The residual values are not more than 5% of the original cost of the assets. The asset's residual values and useful life are reviewed and adjusted at the end of each reporting period.
- d) Depreciation on assets purchased/acquired during the year is charged from the date of purchase of the assets. Assets that are acquired during the year are depreciated on pro rata basis from the date of such addition or, as the case may be, up to the date on which such assets has been derecognized.
- e) An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.
- f) Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).
- g) Leasehold land has been amortized over corresponding lease period.

iv) Intangible assets :

a) Recognitions and Measurements :

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

b) Amortization methods and periods

Intangible Assets with finite useful life are amortized on straight line basis over their estimated useful life.

c) Transition to Ind AS

On transition to Ind AS, the entity has elected to continue with the carrying value of all of intangible assets recognized as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

2.3 Revenue recognition :

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognized.

Contract revenue (Construction Contracts) :

Contract Revenue is recognized on Stage of Completion Method based on the Bills submitted, certified and sanctioned by the appropriate authorities and Work completed and Uncertified Bills for work executed on the Project and does not include material supplied by the clients free of cost. The relevant cost is recognized in accounts in the year of recognition of the revenue. The total costs of contract are estimated by Company and are based on technical and other estimates and assumptions.

2.4 Other Incomes

- a) Insurance claims has been recognized as revenue on cash basis.
- b) Dividends has been recognized as revenue when the shareholder's right to receive payment is established.
- c) Interest has been recognized as revenue using the effective interest method as set out in Ind AS 109.

- d) Revenue other than above has been recognized only when it is probable that the economic benefits associated with the transaction will flow to the entity. However, when an uncertainty arises about the collectability of an amount already included in revenue, the uncollectible amount or the amount in respect of which recovery has ceased to be probable is recognized as an expense, rather than as an adjustment of the amount of revenue originally recognized.

2.5 Inventories :

Raw materials, Stores and spares, Semi-finished goods, traded and finished goods

Inventories are valued as under –

- a) Raw materials, Stores spares, loose tools and Erection materials are valued at at the lower of cost or net realisable value;
- b) Finished goods are stated at lower of Cost or Net Realizable Value; and
- c) Saleable scraps, whose cost is not identifiable, are valued at estimated realizable value.

Cost of raw materials and stores comprises cost of purchase. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business after deduction of the estimated cost of completion and the estimated costs necessary to make the sale.

2.6 Financial Instruments

Financial assets and liabilities are recognized when the group becomes a party to the contractual provisions of the instrument.

Financial Assets

(i) Trade Receivables

Trade Receivables are recognized initially at fair value and subsequently measured at amortized costs less provisions for impairment.

(ii) Other Financial Assets

a) Classifications

The group classifies its financial assets into the following categories:

#Those to be measured subsequently at fair value (either through other comprehensive income or through profit and loss)

#Those measured at amortized costs

The classification depends upon the business model for managing the financial assets and contractual characteristics of the cash flows.

b) Measurements

Initial Recognition:

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial assets. The transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are immediately recognized in profit or loss.

Subsequent Measurement:

There are three subsequent measurement categories into which the group classifies its debt instrument financial assets:

#measured at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

measured at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income, if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

measured at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or fair value through other comprehensive income on initial recognition.

Equity instruments :

An equity instrument is a contract that evidences residual interest in the assets of the group after deducting all of its liabilities. Equity instruments recognized at the proceeds received net off direct issue cost.

All equity instruments classified under financial assets are subsequently measured at fair value. The group has made an irrevocable election at the time of initial recognition to account for the equity instrument at fair value through other comprehensive income.

c) Impairment of Financial Assets :

The group assesses on forward looking basis the expected credit losses associated with its assets carried at amortized costs. The impairment methodology applied depends on whether there has been a significant increase in credit risks.

For trade receivables only, the group applies the simplified approach permitted by Ind AS 109, "Financial Instruments", which requires expected life time losses to be recognized from initial recognition of the receivables.

d) Derecognition of Financial Assets :

A financial assets is derecognized only when :

The group has transferred the rights to receive cash flows from the financial assets or

Retains the contractual rights to receive the cash flows of the financial assets but assumes a contractual obligation to pay the cash flows to one or more recipients.

Financial Liabilities

a) Borrowings :

- i. Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method.
- ii. Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other gains/(losses).
- iii. Borrowings are classified as current liabilities unless the entity has an unconditional right to defer, settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

b) Trade and other payables :

These amounts represent liabilities for goods and services provided to the entity prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 45 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the

reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

c) Other Financial Liabilities

Financial liabilities are measured at amortized cost using effective interest method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognized in the statement of profit and loss.

Interest bearing loans and borrowings are subsequently measured at amortized cost using effective interest rate method. Gain and losses are recognized in profit and loss when the liabilities are derecognized.

d) Offsetting of Financial Instruments:

A financial asset and a financial liability shall be offset and the net amount shall be presented in the balance sheet when, and only when, an entity:

- (a) currently has a legally enforceable right to set off the recognized amounts; and
- (b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2.7 Employee benefits :

(i) Short-term employee benefit obligations

Liabilities for wages and salaries, including non-monetary benefits, that are expected to be settled wholly within 12 months, after the end of the period, in which the employees render the related service, are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

All Short term employee benefits such as salaries, incentives, special award, medical benefits which fall due within 12 months of the period in which the employee renders related services, which entitles him to avail such benefits and non accumulating compensated absences (like maternity leave and sick leave) are recognized on an undiscounted basis and charged to Profit and Loss Statement.

(ii) Post-employment obligations

The entity operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity, Super annuation and
- (b) defined contribution plans such as provident fund.

Provident fund obligations

Contribution to the provident fund, which is a defined contribution plan, made to the Regional Provident Fund Commissioner is charged to the Profit and loss Statement on accrual basis.

Gratuity obligations

The liability or assets recognized in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligations denominated in INR is determined by discounting the estimated future cash flows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the term of related obligations.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expenses in statement of profit and loss.

Re-measurements gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

2.8 Foreign currency translation :

(i) Functional and presentation currency

Each items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions i.e. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

Non monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Translation differences on assets and liabilities carried at fair value are reported as part of fair value gain or loss.

2.9 Income tax :

- i. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.
- ii. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the group and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.
- iii. Current income tax expense comprises taxes on income from operations in India and is determined in accordance with the provisions of the Income Tax Act, 1961. Minimum Alternate Tax (MAT) is paid in accordance with the tax laws, which gives rise to future economic benefits in the form of tax credit against future income tax liability. The group offsets on a year on basis, the current tax assets and liabilities, where it intends to settle such assets and liabilities on a net basis. The current tax expense recognized in the financial statements is net off MAT credit utilized during the period.
- iv. Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.
- v. Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.
- vi. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.
- vii. Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.10 Cash and cash equivalents :

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of twelve months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

2.11 Borrowing costs :

- a) General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.
- b) Other borrowing costs are expensed in the period in which they are incurred.

2.12 Provisions & Contingent Liabilities:

- a) A provision is recognized if, as a result of a past event, the group has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. Contingent assets are not recognized.
- b) Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

2.13 Contributed equity :**a) Equity:**

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

b) Dividends :

Provisions is made for any amount of dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of reporting period but not distributed at the end of the reporting period.

2.14 Earning Per Share**a) Basic Earning Per Share**

Basic Earning Per Share is calculated by dividing the profit attributable to owners of the group by the weighted average number of equity shares outstanding during the financial year.

b) Diluted Earning Per Share

Diluted Earning Per Share adjusts the figures used in the determination of the basic earning per share to take into account the after income tax effect of interests or other finance costs associated with the dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.15 Segment Reporting

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The Company's operations predominantly relate to providing end-to-end business solutions to enable clients to enhance business performance. Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments. Accordingly, information has been presented both along business segments and geographic segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant accounting policies.

The Company's operations predominantly consist of Infrastructure Development like road work, railway work and others infrastructure development activity. Hence, there are no other reportable segment. 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 segment disclosures are considered necessary.

2.16 Principles of Consolidation:

The Consolidated Financial Statements consist of ARSS Infrastructure Projects Limited and its subsidiary companies (collectively referred to as “the Group”). The Consolidated Financial Statements have been prepared on the following basis:

i) Subsidiaries:

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to or has rights to variable returns from continuous involvement with the entity and has ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date on which control ceases.

The group consolidates the financial statements of the parent and its subsidiaries by adding line by line together like items of assets, liabilities, equity, income and expenses. Intergroup balances, transactions and unrealized gains or losses on transactions between the group companies are eliminated. Accounting policies of subsidiaries have been changed and realigned wherever necessary to ensure consistency with the policies adopted by the group.

Non-controlling Interest in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interest to reflect their relative interests in the subsidiary is recognized within equity.

ii) Joint Ventures and Associates:

The group has accounted investment in joint venture and associates under equity method. Under the equity method, on initial recognition the investment in an associate or a joint venture is recognised at cost, and the carrying amount is increased or decreased to recognise the investor’s share of the profit or loss of the investee after the date of acquisition. The investor’s share of the investee’s profit or loss is recognised in the investor’s profit or loss. Distributions received from an investee reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the investor’s proportionate interest in the investee arising from changes in the investee’s other comprehensive income.

2.17 Rounding of amounts :

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakhs as per the requirement of Division II of Schedule III to the Act, unless otherwise stated.

3) Recent Accounting Pronouncement :

Accounting Pronouncement Issued but not effective :

a) Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs (“MCA”) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company has not entered into any foreign currency transactions, hence it has no impact on Company financials.

b) Ind AS 115- Revenue from Contract with Customers:

On March 28, 2018, Ministry of Corporate Affairs (“MCA”) has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity’s contracts with customers. The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors

- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

4) Critical Estimates and Judgments:

a) Use of Estimates :

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

b) Critical Accounting Estimates :

i) Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful life and residual values of group's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The life is based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

ii) Income Taxes :

The group's major tax jurisdictions is India. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

iii) Defined benefit obligation

The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

iv) Impairment of trade receivables

The group estimates the uncollectibility of accounts receivables by analyzing historical payment patterns, customer concentrations, customer credit worthiness and current economic trends. If the financial condition of customer deteriorates, additional allowances may be required.

Note-5: Property, Plant and Equipment

Particulars	Freehold Land	Leasehold Land	Freehold Buildings	Furniture, Fittings and Equipment	Plant and Equipment	Office Equipment	Vehicles	TOTAL	Capital Work-in-Progress	Intangible Assets
Gross Carrying Amount										
At 1 st April, 2016	737	35	367	163	44,412	305	1,740	47,759	10,569	-
Additions/Adjustments during the year	-	-	-	31	48	15	-	94	-	-
Disposals/Adjustment during the year	-	-	-	-	8,450	-	206	8,656	(663)	-
At 31 st March, 2017	737	35	367	194	36,010	320	1,534	39,197	9,906	-
Additions/Adjustments during the year	-	-	-	3	38	12	-	53	783	-
Disposals/Adjustment during the year	-	-	-	-	10,003	-	53	10,056	-	-
At 31 st March, 2018	737	35	367	197	26,045	332	1,481	29,194	10,689	-
Accumulated Depreciation and Impairment										
At 1 st April, 2016	-	1	40	80	19,588	298	1,246	21,253	-	-
Depreciation charge for the year	-	1	6	16	3,043	2	195	3,263	-	-
Disposals/Adjustment during the year	-	-	-	-	5,835	-	144	5,979	-	-
At 31 st March, 2017	-	2	46	96	16,796	300	1,297	18,537	-	-
Depreciation charge for the year	-	1	6	16	2,192	3	176	2,394	-	-
Disposals/Adjustment during the year	-	-	-	-	375	-	45	420	-	-
At 31 st March, 2018	-	3	52	112	18,613	303	1,428	20,511	-	-
Net Book Value At 31 st March, 2018	737	32	315	85	7,432	29	53	8,683	-	-
Net Book Value At 31 st March, 2017	737	33	321	98	19,214	20	237	20,660	9,906	-
Deemed cost At 1 st April, 2016	737	34	327	83	24,824	7	494	26,506	10,569	-

Net Book Value /At Deemed Cost on 1st April 2016

	As at 31st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
	INR Lakhs	INR Lakhs	INR Lakhs
Property, Plant and Equipment	8,683	20,660	26,506
Capital Work-in-progress	10,689	9,906	10,569
Intangible Assets	-	-	-

- (i) The leasehold land pertains to land under lease agreement with Orissa Industrial Infrastructure Development Corporation to be amortized over the lease tenure of Sixty-Four Years.
- (ii) Details of property plant & equipment pledged as security - Refer Note No. 52
- (iii) Refer Note No. 57 for estimated useful life of different class of Property, Plant & Equipment.
- (iv) The amount of intangible asset is below rounding off norms of the company.
- (v) Plant and Equipment includes capital stores to the tune of 31 lakhs as on 31st March 2018, ₹ 5 lakhs as on 31st March 2017 & ₹ 8 Lakhs as on 1st April 2016.
- (vi) The Holding Company has made downward revaluation of its fixed assets during the year resulting a revaluation loss of ₹ 9510.76 lakhs.

(vii) The details of retired asset as at end of each period is as below :-**Net Book Value /At Deemed Cost on 1st April 2016**

	As at 31st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
	INR Lakhs	INR Lakhs	INR Lakhs
Property, Plant and Equipment	445	271	92
Capital Work-in-progress	-	-	-
Intangible Assets	-	-	-

(viii) Assets Held For Disposal**Carrying Amount /At Deemed Cost on 1st April 2016**

	As at 31st March'2018	As at 31 st March'2017	As at 1 st April,2016
	INR Lakhs	INR Lakhs	INR Lakhs
(i) Plant and Equipment			
Opening Balance/Deemed Cost	-	84	-
Additions	-	-	84
Deletions	-	(84)	-
Carrying Amount/Deemed Cost	-	-	84
(ii) Vehicles			
Opening Balance/Deemed Cost	2	23	23
Additions	-	2	-
Deletions	(2)	(23)	-
Carrying Amount/Deemed Cost	-	2	23
Total	-	2	107

Note 6: Investments

Particulars	As at 31 st March'2018	As at 31 st March'2017	As at 1 st April'2016
Investment in Equity Instruments			
Unquoted at Cost			
Investment in Subsidiary Entities			
2,20,83,730 (31, March 2017:2,20,83,730, 01, April, 2016: 1,47,60,000) Equity Shares of ₹ 10/- each fully paid up in ARSS Damoh-Hirapur Tolls Private Limited	-	-	-
4,999(31, March 2017:4,999) ,01, April, 2016:4,999) Equity Shares of ₹ 10/- each fully paid up in ARSS E to E Private Limited*	-	-	-
*(Below rounding off norms)			
Investment in Associate Entities			
25,00,000 (31, March 2017:25,00,000, 01, April, 2016:25,00,000) Equity Shares of ₹ 10/- issued at ₹ 30/- each fully paid up in ARSS Developers Ltd	40	310	466
Investment in Joint Ventures			
	984	1,032	1,445
Total	1,024	1,342	1,911
(i) Non-current	1,024	1,342	1,911
(ii) Current	-	-	-
Category wise Investments:			
At Amortized Cost	1,024	1,342	1,911
At Fairvalue through Profit & Loss (FVPL)	-	-	-
At Fairvalue through Other Comprehensive Income (FVOCI)	-	-	-

Note 7: Trade Receivables

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
Secured, considered good			
(i) Non-Current	-	-	-
Sub-Total	-	-	-
(ii) Current			
Gross Trade Receivables	5,715	18,112	18,780
Less: Trade Receivable Written off	(43)	(9,306)	-
Less: Impairment loss/(Gain) on financial assets	(592)	(592)	(264)
Sub-Total	5,080	8,214	18,516
Total	5,080	8,214	18,516

Trade receivables are non-interest bearing and are generally on terms of 90 to 180 days.

Note 8: Loans

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
Secured, considered good			
(i) Non-Current			
Security Deposit			
- Government authorities	15	15	15
- Others	180	318	310
Sub-Total	195.00	333.00	325.00
(ii) Current			
Security Deposit			
- Government authorities	-	-	-
- Others*	4,624	3,843	7,733
Less; Impact of finance component of deferred revenue	(245)	(231)	-
Earnest Money Deposits	586	495	476
Sub-Total	4,965	4,107	8,209
Total	5,160	4,440	8,534

*Others Includes Security Deposit & Withheld money receivable.

Note 9: Other Financial Assets

Particulars	As at 31 st March'2018	As at 31 st March'2017	As at 1 st April'2016
(i) Non-Current			
Application Money Paid towards securities Pending Allotment	-	-	25
Claims Receivable	133,045	87,904	92,721
Other Advances	-	121	121
Sub-Total	133,045	88,025	92,867
(ii) Current			
Claims Receivable	-	32,549	10,514
Other Advances *	290	4,943	5,876
Sub-Total	290	37,492	16,390
Total	133,335	125,517	109,257

*Other Current Advances include mainly Bank Guarantees Invoked.

** Total Claimed Receivable amounting to ₹148,555 Lakhs is under dispute / arbitration. Same are subject to the outcome of arbitration and /or Reconciliation proceedings arising out of various contractual obligations. The element of realisable profit and actual expenditure incurred has been considered and amount of ₹133045 Lakhs is accounted based on reasonable certainty of realisation of the same and are considered good and realisable by the Management.

Note 10: Other Assets

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
(i) Non-Current			
Capital Advance	-	-	16
Preliminary Expenses not Written off	15	15	15
Less : Derecognition as per Ind-AS 38			
Sub-Total	15	15	31
(ii) Current			
Prepaid Expenses	295	432	444
Employee Advances	5	3	15
Vendor Advances	1,156	1,440	1,615
Sub-Total	1,456	1,875	2,074
Total	1,471	1,890	2,105

Note 11: Deffered tax assets/(liabilities)(net)

Particulars	As at 31 st March'2018	As at 31 st March'2017	As at 1 st April'2016
Property, plant and equipment	760	(2,237)	(2,602)
Asset Held For Disposal	-	(1)	(33)
Employee Benefit Obligation	27	27	27
Impairment loss/(gain) on financial assets	183	183	82
Minimum Alternate Tax(MAT)	127	127	127
Brought forward losses	-	-	-
Total	1,097	(1,901)	(2,399)

Note 12: Inventories

Particulars	As at 31 st March'2018	As at 31 st March'2017	As at 1 st April'2016
a. Materials at Site	1,805	401	3,591
b. Stores, Spares & Loose Tools	306	211	267
c. Work In Progress	1,032	2,116	35,880
d. Finished Goods	3,032	3,141	16,037
Total	6,175	5,869	55,775

Note 13: Cash and Bank Balance

Particulars	As at 31 st March'2018	As at 31 st March'2017	As at 1 st April'2016
Balances with banks			
(i) Cash at bank	6,424	1,647	1,353
(ii) Cash on hand	86	51	64
Less: Bank overdraft	-	-	-
Total	6,510	1,698	1,417
Balances In Bank Other Than Above*	3,363	5,807	6,186
	3,363	5,807	6,186

Details of Cash at Bank :

In Current Account	6,396	1,578	1,353
In Fixed Deposits	3,363	5,807	6,186

*Fixed deposit with carrying amount of INR 3,363 lakhs including interest accrued on the same (31st March, 2017: INR 5,807 lakhs and 1st April, 2016: INR 6,186 lakhs) are pledged against bank guarantees as security deposit, EMD and Margin account.

Note 14:Share Capital

Particulars	As at 31 st March'2018	As at 31 st March'2017	As at 1 st April'2016
(A) Authorised Shares Capital			
Equity Shares :			
4,00,00,000 (As on 31st March 2017 4,00,00,000 As on 31st March 2016 4,00,00,000) Equity Shares of ₹10/- Each	4,000	4,000	4,000
Preference Shares :			
1,50,00,000(As on 31st March 2017 1,50,00,000 As on 31st March 2016 1,50,00,000) Preference Shares of ₹ 10/- Each	1,500	1,500	1,500
(B) Issued, Subscribed and Paid Up			
Equity Shares:			
2,27,37,966 (As on 31st March 2017 1,48,43,230 As on 31st March 2016 1,48,43,230) equity shares of ₹ 10 each fully paid up	2,274	1,484	1,484
Preference Shares :			
(As on 31st March 2017 1,50,00,000 As on 31st March 2016 1,50,00,000) Preference Shares of ₹ 10/- Each	-	1,500	1,500
Less: Debt Component Of Equity Instruments	-	(1,500)	(1,500)
Total	2,274	1,484	1,484
(C) Reconciliation of Number of Shares			
i) Reconciliation of number of Equity shares are set out below:			
a) Shares outstanding at the beginning of the financial year.	14,843,230	14,843,230	14,843,230
b) Issued during the year	7,894,736	-	-
c) Shares forfeited/brought back/cancelled during the year	-	-	-
d) Shares outstanding at the end of the financial year	<u>22,737,966</u>	<u>14,843,230</u>	<u>14,843,230</u>
ii) Reconciliation of number of Preference shares are set out below:			
a) Shares outstanding at the beginning of the financial year.	15,000,000	15,000,000	15,000,000
b) Issued during the year	-	-	-
c) Shares forfeited/brought back/cancelled during the year	(15,000,000)	-	-
d) Shares outstanding at the end of the financial year	<u>-</u>	<u>15,000,000</u>	<u>15,000,000</u>
(D) Details of shareholders holding more than 5% of shares	As at 31st March'2018	As at 31st March'2017	As at 1st April'2016
Name of the Shareholders	% Held	No. of Shares	% Held
			No. of Shares
Equity Shares:			
Subash Agarwal	6.08%	1,381,608	7.91%
Mohanlal Agarwal	-	-	5.13%
ARSS Developers Ltd	14.00%	3,183,480	-
Sidhant Financial Services Limited	14.92%	3,393,031	-
Preference Shares:			
Rajesh Agarwal	-	-	5.59%
Sidhant Financial Services Limited	-	-	83.00%

- (i) The parent company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The parent company declares and pays dividends in Indian Rupees.
- (ii) In the event of liquidation of the parent company, the holders of equity shares will be entitled to receive remaining assets of the parent company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- (E) There are no shares reserved for issue under options and contracts or commitments for the sale of shares or disinvestment.**
- (F) For the period of five years immediately preceding the date at which the balance sheet prepared the parent company has not :**
- (i) Allotted any shares as fully paid up pursuant to contract without payment being received;
- (ii) Allotted any shares as fully paid up by way of bonus; and
- (iii) Bought back any shares

Note 15: Other Equity

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
a. Securities Premium			
Opening Balance	14,736	14,736	14,736
Add:-Additions during the year	5,211	-	-
Sub Total	19,947	14,736	14,736
b. General Reserves			
Opening Balance	727	727	727
Add:-Addition during the Year	-	-	-
Less: Transferred to Retained Earnings	-	-	-
Sub Total	727	727	727
c. Retained Earnings			
Opening Balance/ As on Transition Date	(13,883)	19,381	19,764
Add: Profit/(Loss) during the year	(5,842)	(33,264)	-
Add: Re-measurement of defined employee benefit plans through OCI	(3)	-	-
Less: Deferred Tax liability / (Assets) on Transition date	-	-	418
Less: Impairment loss on financial assets	-	-	(264)
Add: Depreciation on Capital Stores classified as PPE on transition date	-	-	(3)
Derecognition of Intangible Items	-	-	-
Impact of Equity method Consolidation of Associates	-	-	(534)
Sub Total	(19,728)	(13,883)	19,381
Grand Totals	946	1,580	34,844

Refer Note No.58 for details of nature and purpose of each class of other equity.

Note 16: Borrowings

Particulars	As at 31 st March'2018	As at 31 st March'2017	As at 1 st April'2016
(i) Non-Current Borrowings			
Secured Loan			
(a) Term Loan From Banks	73,612	74,531	75,657
(b) Financial Lease Obligations	-	-	23,494
Unsecured Loan			
Loans from Bank	-	-	-
Loan from Others	-	-	-
Less : - Current Maturity of Long term debt			
Term Loan From Banks	(7,306)	(2,782)	(15,418)
Financial Lease Obligations	-	-	(23,494)
Debt Component of Equity Instruments (Refer Point-VIII below)	-	1,500	1,500
Total non-current borrowings	66,306	73,249	61,739
(ii) Current Borrowings			
(a) Cash Credit	99,884	95,156	87,287
(b) Financial Lease Obligations	-	-	-
(c) From Others (Refer Point- VII below)	2,268	6,810	7,661
Total current borrowings	102,152	101,966	94,948

Notes :-

- (i) Rupee loan from bank carries interest @ 10 % to 10.5% p.a. The loans are repayable in quarterly installments 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.
- (ii) Rupee loan from NBFCs Carries interest @9% to 12% p.a and are repayable in monthly instalments. The above loans are secured by way of mortgage on assets acquired out of such loan. The Loans are repayable over 3 to 5 years.
- (iii) Term Loan (TL) under CDR and governed by Master Restructuring Agreement(MRA) dated 6th September 2012, with State Bank of India, Punjab National Bank, ICICI Bank Ltd., IDBI Bank Ltd., State Bank of Bikaner & Jaipur & Bank of India. The amount repayable is over a period from FY 2016-17 to 2020-21.
- (iv) This loan is secured by equitable mortgage of immovable property of the group and promoters, pari-passu charge on plant & machinery of the group (excluding land & office flat & equipments on which other lenders are having first charge) and irrevocable and unconditional personal guarantees of the Directors and pledge of shares held by promoters in the group.
- (v) Interest rate for all term loan are subject to periodic review.
- (vi) Refer the note no. 59 for detail disclosure on repayment schedule and rate of interest.
- (vii) Current Borrowings from others represents amounts borrowed from related party.
- (viii) Debt component of Equity Instruments includes redeemable preference share capital issued under CDR package.
- (ix) Indian rupee loan from bank includes loan taken by subsidiary from Central Bank of India which carries interest @ 14.25% p.a. The loan is repayable in 36 quarterly installments starting from 2 years from the date of COD i.e. the first date of installment due on January 2016. The above loan is secured by way of assignment/ security interest on the companies rights under the concessions agreement, project documents, contracts and all licenses, permits, approvals, consents and insurance policies in respect of the project of two laning of Damoh Hirapur Road. The said loan is backed by personal guarantee of directors and parent company. This loan has been classified as NPA by the bankers. Central Bureau of Investigation (CBI) has conducted raid in April 2018 on the Company in pursuance of complaint filed by banker for investigation of default in repayment of loan.

Note-17: Trade Payables

Particulars	As at 31 st March'2018	As at 31 st March'2017	As at 1 st April'2016
i. Non-Current			
Sub-Total	-	-	-
ii. Current	4,982	4,896	5,571
Sub-Total	4,982	4,896	5,571
Grand Total	4,982	4,896	5,571

Note-18: Other financial liabilities

Particulars	As at 31 st March'2018	As at 31 st March'2017	As at 1 st April'2016
i. Non-Current			
Retention Money	-	-	-
Capital Creditors	-	-	8
Sub-Total	-	-	8
ii. Current			
Current Maturity of Long term Debt			
Term Loan From Banks	7,306	2,782	15,418
Financial Lease Obligations	-	-	23,494
Retention Money	836	880	3,688
Outstanding Employee Benefit Cost	437	472	323
Liability For Expenses	511	637	506
Sub-Total	9,090	4,771	43,429
Total	9,090	4,771	43,437

Note-19: Provisions

Particulars	As at 31 st March'2018	As at 31 st March'2017	As at 1 st April'2016
Provision for Employee Benefits	88	88	89
Total	88	88	89
Current	27	18	15
Non Current	61	70	74

Note-20: Other Liabilities

Particulars	As at 31 st March'2018	As at 31 st March'2017	As at 1 st April'2016
Non- Current Liabilities			
Mobilization advance Received	108	108	108
	108	108	108
Current Liabilities			
Payable to Statutory Authorities	401	736	1,178
Mobilization advance Received	925	887	2,066
Advance From Customers	329	-	-
Total	1,655	1,623	3,244

Note-21: Current Tax Liability/ (Assets) In Net

Particulars	As at 31 st March'2018	As at 31 st March'2017	As at 1 st April'2016
Income tax payable	-	-	127
TDS receivable	(5,018)	(6,325)	(7,111)
Total	(5,018)	(6,325)	(6,984)

Note-22: Revenue from operations

Particulars	31st March'2018	31st March'2017
Revenue from Operation :		
Sale of Services*	53,774	78,740
Sale of Products	4,838	5,156
Less: Impact of finance component of deferred revenue	(178)	(231)
Total	58,434	83,665

* Includes claims made during the year is ₹130,55 Lakhs

Note-23: Other income

Particulars	31st March'2018	31st March'2017
Interest Income From Financial Assets measured at Amortized Cost	1,016	555
Interest On Arbitration Cases	245	1
Miscellaneous Income	143	823
Total	1,404	1,379

Note-24: Other Gains/(Losses)

Particulars	31st March'2018	31st March'2017
Net gain/(losses) on disposal of Property, Plant & Equipment	227	54
Interest On Income Tax refund	111	57
Unwinding of finance component of deferred consideration	164	-
Total	502	111

Note-25: Cost of material consumed

Particulars	31st March'2018	31st March'2017
Material and components consumed		
Opening Stock	617	3,866
Add: Material Purchased during the year	14,299	13,815
Less: Closing Stock	(2,111)	(617)
Total	12,805	17,064

Note-26: Change in Inventories

Particulars	31st March'2018	31st March'2017
Opening Stock		
Work In Progress	2,116	35,880
Finished Goods	3,141	16,037
Sub-Total	5,257	51,917
Less:- Closing Stock		
Work In Progress	1,032	2,116
Finished Goods	3,032	3,141
Sub-Total	4,064	5,257
INCREASE(-)/DECREASE(+)	1,193	46,660

Note-27: Cost Of Goods/Services Sold

Particulars	31 st March'2018	31 st March'2017
Sub-Contract Expenses	8,384	4,871
Wages & Salary	2,091	2,448
Hire Charges	161	296
Fuel Expenses	11,067	7,935
Rents, Rates and related Taxes	677	790
Total	22,380	16,340

Note-28: Employee Benefit Expenses

Particulars	31 st March'2018	31 st March'2017
Salary & Allowances	2,455	2310
Director's/Managerial Remuneration*	147	147
Contribution to PF & Other Funds	60	59
Staff Welfare	288	248
Total	2,950	2,764

* The Company has paid Director remuneration of ₹ 63 lakhs subject to approval from Central Government.

Note-29: Finance Cost

Particulars	31 st March'2018	31 st March'2017
Interest On Borrowings	3,665	7,683
Interest on Deferred Payment Terms	60	16
Total	3,725	7,699

Note-30: Other expenses

Particulars	31 st March'2018	31 st March'2017
Repairs & Renewals:		
Plant & Machinery	2,744	3,102
Others	173	65
Bad Debt	43	9,306
Impairment loss on financial assets	-	328
Provision for Bank Guarantee Invoked	5,556	8,233
Legal & Professional Charges	531	494
Royalty	659	553
Travelling & Conveyance	1,669	1,137
Auditors Remuneration (Note 31)	24	24
Directors' Sitting fees	15	16
Bank Charges	366	430
Insurance Charges	295	302
Electricity Charges	39	51
Loss on Sale/Impairment of Property, Plant & Equipment	9,511	290
Miscellaneous Expenses	1,146	667
Corporate Social Responsibility Expenses (Note 32)	-	5
	22,771	25,003

Note 31 : Details of Payment to Auditors	31st March'2018	31st March'2017
As Auditors		
Audit Fees	19	19
Tax Audit Fee	5	5
In other Capacity		
Taxation Matters	-	-
Company Law Matters	-	-
Certification Fees	-	-
Re-imburement of Expenses	-	-
	<u>24</u>	<u>24</u>

Note 32: Corporate Social Responsibility (CSR) Expenses :	31st March'2018	31st March'2017
Contribution to Charity Foundation	-	5
Outlay on Others CSR Projects	-	-
Total	<u>-</u>	<u>5</u>
Amount required to be spent as per Section 135 of the Act	-	16
Amount spent during the year On :	-	
(1) Construction or Acquisition of Assets	-	-
(2) On purposes other than (1) above	-	5
Total	<u>-</u>	<u>5</u>
Excess/(Short) Amount Spend*	-	-11

*Due to losses in financial year 2016-2017, the Company has short spent in CSR activities.

Note 33 : Income Tax Expenses

This note provides an analysis of the group's income tax expenses, show amounts that are recognized directly in equity and how the tax expenses is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the group's tax position.

Particulars	31st March, 2018	31st March, 2017
(a) Income Tax Expenses		
Current Tax :		
Current Tax on profits for the year	-	-
Adjustments for current tax of prior periods	595	20
Total Current Tax Expenses	<u>595</u>	<u>20</u>
Deferred Tax :		
Decrease/(Increase) in deferred tax assets	(2,996)	(498)
(Decrease)/Increase in deferred tax liabilities	-	-
Adjustments for deferred tax of prior periods	-	-
Total Deferred tax expenses/(benefits)	<u>(2,996)</u>	<u>(498)</u>
Total Income Tax Expenses	<u>(2,401)</u>	<u>(478)</u>
Income Tax Expenses is attributable to :		
Current Tax	595	20
Deferred Tax	(2,996)	(478)
Total Tax Expenses Charged to SPL	<u>(2,401)</u>	<u>(458)</u>
Total Tax Expenses/(Deferred Tax Benefits) Charged against OCI	<u>(2)</u>	<u>-</u>
Total Tax Expenses/(Deferred Tax Benefits)	<u>(2,403)</u>	<u>(458)</u>

(b) Reconciliation of tax expenses and the accounting profit multiplied by India's tax rate:

During current year and previous year the group has incurred loss hence there is no current tax required to be payable under Income Tax Act, 1961. Accordingly, reconciliation of tax expenses is not required.

(c) Amount recognised directly in equity

Particulars	31 st March, 2018	31 st March, 2017
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited/ (credited) to equity:	-	-
Current tax: share issue transaction cost	-	-
Deferred tax: Convertible bonds	-	-
	<u>-</u>	<u>-</u>

(d) Unrecognized temporary differences

Particulars	31 st March, 2018	31 st March, 2017
Temporary difference relating to investment in subsidiaries for which deferred tax liabilities have not been recognized:		
Undistributed earnings	-	-
Unrecognized deferred tax liabilities relating to the above temporary differences	-	-

Note No. 34 : Movement in Deferred Tax Asset-Incomes / (Liability-Expenses)

Particulars	As at 31.03.2018		As at 31.03.2017	
	Through PL	Through OCI	Through PL	Through OCI
Property, Plant and Equipment	2,997	-	365	-
Assets Held for Disposal	(1)	-	32	-
Employee benefit obligation	(2)	2	-	-
Impairment loss/(gain) on financial assets	-	-	101	-
Financial assets at fair value through profit and loss	-	-	-	-
Unused MAT Credits	-	-	-	-
Other items	-	-	-	-
Impact /As on Transition Date	2,993	2	497	-

NOTE 35 : Employee benefit obligations

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Year Ending 31-03-2018	Year Ending 31-03-2017
Change in Defined Benefit Obligation :		
Defined Benefit Obligation at the beginning	-	-
Current Service Cost	27	-
Past Service Cost	-	-
(Gain) / Loss on settlements	-	-
Interest Expense	-	-
Benefit Payments from Plan Assets	-5	-
Remeasurements - Due to Experience Adjustments	5	-
Defined Benefit Obligation at the end	27	-
Change in Fair Value of Plan Assets :		
Fair Value of Plan Assets at the beginning	113	-
Interest Income	9	-
Benefit Payments from Plan Assets	-5	-
Remeasurements - Return on Assets	-0	-
Fair Value of Plan Assets at the end	117	-
Weighted Average Asset Allocations at the end of current period		
Equities	-	-
Bonds	-	-
Insurance Policies	100%	-

Note 36 : Components of Defined Benefit Cost

Particulars	Year Ending 31-03-2018	Year Ending 31-03-2017
Current Service Cost	27	-
Past Service Cost	178	-
Total Service Cost	205	-
Total Net Interest Cost	-9	-
Defined Benefit Cost included in P & L	196	-
Remeasurements - Due to Experience Adjustments	5	-
(Return) on Plan Assets (Excluding Interest Income)	0	-
Total Remeasurements in OCI	5	-

NOTE 37 : Employee benefit obligations Funded /Unfunded balance

The net liability disclosed above relates to funded and unfunded plans are as follows :

Particulars	31-3-2018	31-3-2017
Defined Benefit Obligation	205	-
Fair value of plan assets	117	-
Deficit of funded plans	88	-
Unfunded plans	-	-
Deficit of Un funded plans	-	-

NOTE :38 Expected Cash Outflows From Defined Benefits Obligations

Maturity Profile of Defined Benefit Obligations:

Years	Cash Outflow
1	27
2	25
3	24
4	25
5	23
6	22
7	21
8	19
9	19
10	17

Note 39 :Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Particulars	31-Mar-18
Discount rate	8%
Withdrawal Rate	15%
Salary growth rate	100%
Disability Rate	5%

Sensitivity Analysis :

Discount Rate, Salary Escalation Rate and Withdrawal Rate are significant actuarial assumptions. The change in the Present Value of Defined Benefit Obligation for a change of 100 Basis Points from the assumed assumption is given below:

Scenario	PV DBO	Percentage Change
Under Base Scenario	205	0.00%
Salary Escalation - Up by 1%	219	6.60%
Salary Escalation - Down by 1%	193	-6.10%
Withdrawal Rates - Up by 1%	204	-0.70%
Withdrawal Rates - Down by 1%	207	0.80%
Discount Rates - Up by 1%	194	-5.70%
Discount Rates - Down by 1%	218	6.40%

NOTE 40 : Risk exposure of Defined Benefits Obligations

Through its defined benefit plans, the group is exposed to a number of risks, the most significant of which are detailed below::

Asset volatility :

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is maintained with LIC India. These are subject to interest rate risk and the fund manages interest rate risk to minimize risk to an acceptable level.

Changes in Bond yields :

A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plan funds maintained with the SBI Life.

Inflation risks :

In the gratuity plans, the payment are not linked to inflation, so there is less material risk.

(All amounts in INR Lakhs, unless otherwise stated)

Note No. 41 Fair value measurements**(i) Financial instruments by category:**

Particulars	31-Mar-18			31-Mar-17			01-April-16		
	FVPL	FVOCI	Amortized cost	FVPL	FVOCI	Amortized cost	FVPL	FVOCI	Amortized cost
Financial assets									
Investments:									
Equity instruments	-	-	1,024	-	-	1,342	-	-	1,911
Trade receivables	-	-	5,080	-	-	8,214	-	-	18,516
Cash & Bank Balance	-	-	6,510	-	-	1,698	-	-	1,417
Bank Balance Other than above			3,363			5,807			6,186
Loans	-	-	5,160	-	-	4,440	-	-	8,534
Derivative financial assets	-	-	-	-	-	-	-	-	-
Others	-	-	133,335	-	-	125,517	-	-	109,257
Total financial assets	-	-	154,471	-	-	147,018	-	-	145,821
Financial liabilities									
Borrowings	-	-	168,458	-	-	175,215	-	-	156,687
Derivative financial liabilities	-	-	-	-	-	-	-	-	-
Trade payables	-	-	4,982	-	-	4,896	-	-	5,571
Other financial liabilities	-	-	9,091	-	-	4,771	-	-	43,437
Total financial liabilities	-	-	182,531	-	-	184,882	-	-	205,695

(ii) Fair value hierarchy:

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are

- recognized and measured at fair value, and
- measured at amortized cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into three levels prescribed under the Ind AS 113 "Fair Value Measurements". An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements At March 31, 2018

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments at FVPL				
Equity instruments	-	-	-	-
Mutual funds	-	-	-	-
Financial investments at FVOCI				
Quoted equity investments	-	-	-	-
Unquoted equity investments	-	-	-	-
Derivatives				
Foreign exchange forward contracts	-	-	-	-
Foreign currency options	-	-	-	-
Interest rate swaps	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Financial assets and liabilities measured at fair value - recurring fair value measurements At March 31, 2017

	Level 1	Level 2	Level 3	Total
Financial assets :				
Financial investments at FVPL				
Equity instruments	-	-	-	-
Mutual funds	-	-	-	-
Financial investments at FVOCI				
Quoted equity investments	-	-	-	-
Unquoted equity investments	-	-	-	-
Derivatives				
Foreign exchange forward contracts	-	-	-	-
Foreign currency options	-	-	-	-
Interest rate swaps	-	-	-	-
Total	-	-	-	-

Financial assets and liabilities measured at fair value - recurring fair value measurements At April 1, 2016

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments at FVPL				
Equity instruments	-	-	-	-
Mutual funds	-	-	-	-
Financial investments at FVOCI				
Quoted equity investments	-	-	-	-
Unquoted equity investments	-	-	-	-
Derivatives				
Foreign exchange forward contracts	-	-	-	-
Foreign currency options	-	-	-	-
Interest rate swaps	-	-	-	-
Total	-	-	-	-

Level 1 : This hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments(including bonds) which are traded in the stock exchange is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2 : Fair value of financial instruments that are not traded in an active market (for example, traded bonds, over the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument as observable, the instrument is included in level 2.

Level 3 : If one or more of the significant inputs is not based on observable data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification assets.

(iii) As per Ind AS 107 "Financial Instrument: Disclosure", fair value disclosures are not required when the carrying amounts reasonably approximate the fair value. Accordingly fair value disclosures have not been made for the following financial instruments:-

1. Trade receivables
2. Cash and cash Equivalent
3. Loans
4. Borrowings
5. Trade payables
6. Capital creditors
7. Other payables

Note No. 42 : Financial risk management

The group's few portion of activities are exposed to variety of financial risks i.e. market risk, credit risk and liquidity risk. The group's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk :

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables and other financial instruments, financial assets measured at amortized cost.	Ageing analysis Credit rating	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

(A) Credit risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily trade receivables from customers other than government entities. These Trade receivables are typically unsecured and are derived from revenue earned from domestic and foreign customers. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the group grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the group uses expected credit loss model to assess impairment loss or gain. the group uses a matrix to compute the expected credit loss allowance for trade receivable.

Credit risk management

Credit risk is managed on instrument basis. For Banks and financial institutions, only high rated banks /institutions are accepted. For other financial instruments, the group assesses and maintains an internal credit rating system. The finance function consists of a separate team who assess and maintain internal credit rating system.

(B) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, the group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the group's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in accordance with practice and limits set by the group. These limits vary by locations to take into account the liquidity of the market in which the entity operates. In addition, the group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Note No. 43: Capital management

(a) Risk management

The group's objectives when managing capital are to;

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders; and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return on capital to shareholders or issue new shares. The group monitors capital using gearing ratio, which is net debt divided by total Equity. Net debt comprises of long term and short term borrowings less cash and bank balances. Equity includes equity share capital and reserves that are managed as capital. The gearing at the end of reporting period was as follows:

Particulars	March 31, 2018	March 31, 2017
Net Debt	66,306	73,249
Total Equity	3,220	3,064
Net debt to Equity Ratio	20.59	23.91

(b) Dividends

Particulars	March 31, 2018	March 31, 2017
(i) Equity shares		
Final dividend for the year ended 31.03.2017 of ₹ NIL (31.03.2016 ₹ NIL) per fully paid share	-	-
Interim dividend for the year ended 31.03.2017 of ₹ NIL (31.03.2016 ₹ Nil) per fully paid share	-	-
(ii) Dividends not recognized at the end of the reporting period	-	-
In addition to the above dividends, since year end the directors have recommended the payment of final dividend of ₹ NIL per fully paid equity share (31.03.2016 ₹ NIL). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	-	-

NOTE - 44

EARNINGS PER SHARE (EPS)	31st March 2018	31st March 2017
i) Net Profit after tax as per statement of Profit & Loss attributable to Equity Shareholders (₹ Lakhs)	(5,842)	(33,264)
ii) Weighted Average number of equity shares used as denominator for calculating EPS	19,904,513	14,843,230
iii) Face Value per Equity Share (₹)	10.00	10.00
iv) Basic and Diluted Earnings per share (₹)	-29.35	-224.10

Note - 45

EARNINGS IN FOREIGN EXCHANGE	31st March 2018	31st March 2017
FOB Value of Exports	-	-
Billing Adjustment	-	-
Total	-	-
EXPENDITURE IN FOREIGN CURRENCY		
Interest and finance charges	-	-
Commission on Sales	-	-
Legal and Professional fees	-	-
Others	-	-
	-	-

Note - 46

CONTINGENT LIABILITIES	31st March 2018	31st March 2017	1st April 2016
i. Guarantees given by group's Bankers on behalf of the group.	13,457	18,011	25,303
ii. Claims against the group not acknowledged as debts:			
a) Central Sales Tax	791	791	791
b) VAT	165	117	117
c) Orissa Entry tax	144	34	34
d) Orissa Electricity Act	47	47	47
e) ITAT	5,470	5,470	5,470
f) CIT (A)	598	-	-
g) Recompense amount	15,086	15,086	15,086
iii. Corporate Guarantees given by group (Refer Note No. 51)	8,700	8,700	8,700

However as per management perception, the above liabilities will not devolve upon the group in future.

Note - 47

CAPITAL COMMITMENTS	31st March 2018	31st March 2017	1st April 2016
Estimated value of contracts in capital account remaining to be executed	-	-	-

Note - 48**Segment Reporting As per Ind AS 108 "Operating Segments"**

Based on the policy set out under Significant Accounting Policy, the group follows "management Approach" for the purpose of deciding operating segments. The operating results of each major project locations are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to that location and assess its performance. Accordingly, the group has decided not to treat each project location as its operating segments considering huge number of project locations and its permanency.

Note 49
Additional Disclosures As per Ind AS 108 “Operating Segments”
(i) Revenue From Customers Exceeding 10% of Total revenue

As per Para 34 of Ind AS 108, if revenues from transactions with a single external customer amount to 10 per cent or more of an entity’s revenues, the group is required to disclose that fact, the total amount of revenues from each such customer, and the identity of the segment or segments reporting the revenues. The details of such disclosure is as below :

Customer Name	% of Total Revenues	
	2017-18	2016-17
Executive Engineer NH Division-Sambalpur	16.75%	8.45%

(ii) Extent of Reliance on Major Customers

Extent of Reliance on Major Customers of the group can be depicted by assessing their sales chunk compared to total revenue of the operation. The percentage of group of major customer to its total revenue is as below :

Customer Name	% of Total Revenues	
	2017-18	2016-17
Top 10 Customers	58.99%	33.70%
Top 25 Customers	69.39%	36.87%

Note -50 RELATED PARTY DISCLOSURE AS PER Ind AS 24
(I) List of Related parties
a. Associate :

ARSS Developers Limited

b. Subsidiary

ARSS Damoh-Hirapur Tolls Private Limited

c. Joint Venture (AOP)

Niraj-ARSS JV

ARSS-Atlanta JV

Atlanta-ARSS JV

ARSS-HCIL Consortium JV

ARSS-Triveni JV

Patel-ARSS JV

Backbone-ARSS JV

Somdatt Builders-ARSS JV

ARSS-ANPR JV

HCIL Adhikarya-ARSS JV

ARSS GVR JV

HCIL-ARSSSPL-Triveni JV

HCIL-Kalindee ARSS JV

Harish Chandra-ARSSSPL JV
 ARSS-MVPL JV
 ARSS-Balaji JV
 ARSS-SIPS JV
 ARSS-SCPL JV
 ARSS-BMS JV

d. Key Managerial Personnel

Name	Designation
Subash Agarwal	Chairman cum Director
Rajesh Agarwal	Managing Director
Sunil Agarwal	Chief Executive Officer
Anil Agarwal	Chief Operating Officer
S.K. Pattanaik	C. F. O.

The Company Secretary has not been considered as related party as she is not having the authority and responsibility for planning, directing and controlling the executive decision making activities of the entity, directly or indirectly. This is in line with Ind AS 24, "Related party transactions".

e. Close Family members of Key Managerial Personnel

None of the close members of all Key managerial Personnel's are considered as Related Party In accordance with Ind AS 24 considering the fact that they are neither participating nor influencing executive decision making of the group.

(II) Balances and Transactions with Related parties

Name	Particulars	Net Transaction During the Period	
		2017-18	2016-17
ARSS Atlanta ARSS JV	Sale Of Services	-	-
ARSS-ANPR JV	Sale Of Services	-	-
NIRAJ-ARSS JV	Sale Of Services	-	-
ARSS Bms JV	Consultancy Charges	16	4
ARSS Gvr JV	Sale Of Services	95	289
ARSS Triveni JV	Sale Of Services	-	111
Atlanta ARSS JV	Sale Of Services	1,984	3,223
Hcil-Adhikarya-ARSS JV	Sale Of Services	-	1,048
Patel ARSS JV	Sale Of Services	-	-
Shivam Condev Pvt Ltd (Material Sale)	Sale Of Services	4,797	5,955
Shivam Condev Pvt Ltd(Consultancy)	Sale Of Services	4	-
Shivam Condev Pvt Ltd(Rent)	Sale Of Services	14	13
Shivam Condev Pvt Ltd(Asset Sold)	Sale Of Services	215	-
Shivam Condev Pvt Ltd	Sale Of Services	1,516	-

b. Balance Sheet Items

Name	Particulars	2017-18	2016-17
Anil Agarwal	Loan Received	-	20
ARSS Developers Ltd	Loan Received	-	2,421
Sabita Agarwal	Loan Received	-	150
Sunil Agarwal	Loan Received	-	150
Rajesh Agarwal	Loan Received	616	671
Ram Dulari Agarwal	Loan Received	-	98
Sangita Agarwal	Loan Received	-	79
Sanju Agarwal	Loan Received	-	75
Subash Agarwal	Loan Received	-	120

(III) Remuneration to key managerial personnel

Name	2017-18	2016-17
Anil Agarwal	42	42
Sunil Agarwal	42	42
Rajesh Agarwal	30	30
Subash Agarwal	33	33
Director Sitting Fees	15	16

Note 51
FINANCIAL HEDGING INSTRUMENTS
i) For hedging Currency Related Risks :

	As at 3/31/2018	As at 3/31/2017	As at 4/1/2016
Forward Contracts - Outstanding Nominal Value	Nil	Nil	Nil

NOTE - 52
ASSETS PROVIDED AS SECURITY

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 01-April-16
Current Assets			
Financial Assets			
Trade Receivables	5,080	8,214	18,516
Other Financial Assets	8,328	9,914	14,395
Total Current assets provided as security	13,408	18,128	32,911
Non Financial Assets			
Non Current assets			
Property, Plant and Equipment :			
i Tangible Assets	8,537	20,509	26,382
ii Intangible Assets	-	-	-
Inventories	6,175	5,869	55,775
Other Financial Assets	133,239	88,237	93,046
Total Non - Current assets provided as security	147,952	114,615	175,203
Total Assets provided as Security	161,359	132,743	208,114

NOTE - 53

The obligations on long term, non-cancellable finance leases payable as per the respective agreements are as follows :-

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 01-April-16
Future minimum lease payable	-	-	-
Not Later than 1 year	-	-	-
Later than 1 year and not later than 5 years	-	-	-
Later than 5 year	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>

NOTE - 54**Recognition of Corporate Guarantee as Financial Liability**

Financial guarantee is a contractual right of the lender to receive cash from the guarantor, and a corresponding contractual obligation of the guarantor to pay the lender, if the borrower defaults. The contractual right and obligation exist because of a past transaction or event (assumption of the guarantee), even though the lender's ability to exercise its right and the requirement for the guarantor to perform under its obligation are both contingent on a future act of default by the borrower. A contingent right and obligation meet the definition of a financial asset and a financial liability, even though such assets and liabilities are not always recognized in the financial statements. Based on the measurement principles laid down under Ind AS 109 "Financial Instrument :Recognition and Measurement," the fair value of all those financial guarantee contracts reasonable below to the materiality threshold limit set by the group. Accordingly the entity has made appropriate disclosure in Note 43 without additionally recognizing any financial assets or liability.

NOTE - 55**Micro, Small and Medium Enterprises (MSME) Dues Disclosure**

There are no Micro and Small enterprises to whom the group owes dues which are outstanding for a period of more than 45 days as at the balance sheet date. The above information and that given under Current liabilities regarding Micro, Small and Medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the group.

NOTE - 56

The intercompany transactions pertaining to related entities during financial 2017-18 has not been eliminated as the net amount considering absolute and constructive obligation of the group comes out to be negligible.

NOTE - 57**Estimated Useful Lives of Property Plant & Equipment (PPE)**

Financial Classification	Nature	Useful Lives	
		As per Management Estimate	As per SCH-II of Companies Act 2013
Freehold Building	Building (Factory)	30 Years	30 Years
	Building (Non Factory)	60 Years	60 Years
Furniture, Fittings and Equipment	Furniture Fixtures	10 Years	10 Years
Office Equipment	Computer	3 Years	3 Years
Plant & Equipment	Plant & Machinery(Non-Earth Moving)	15 Years	12 Years
	Plant & Machinery(Earth Moving)	9 Years	12 Years
Vehicles	Motor car	8 years	8 years

The useful life has remained constant for transition, comparative and reporting period

(All amounts in INR Lakhs, unless otherwise stated)

NOTE - 58

Nature and Purpose of Reserves Disclosed under Other Equity

Particulars	Purpose
General Reserve	General Reserve has been created to comply with requirements of erstwhile Company's Act 1956 with regard to Payment of dividend.
Retained Earnings	Retained Earnings contains the balance of retained earnings to carry forward. It is fully distributable and shown as part of shareholders' reserves on the balance sheet.
Securities Premium Reserve	Securities Premium Reserve has been created for issue of equity shares at a premium.

NOTE - 59

Covenants of Borrowings

(i) Details of Repayment Schedule, Interest Rate of Borrowings as on 31 March 2018 :

Term Loan	Repayment Tenure (As per CDR)	Rate of Interest
SBI - WCTL	4 years	10.50%
SBI - TL	4 years	10.50%
PNB - WCTL	4 years	10.50%
PNB - TL	4 years	10.50%
ICICI - WCTL	4 years	10.50%
ICICI - TL	4 years	10.50%
BOI - WCTL	4 years	10.50%
BOI - TL	4 years	10.50%
IDBI - WCTL	4 years	10.50%
IDBI - TL	4 years	10.50%
EXIM - WCTL	4 years	10.50%
EXIM - TL	4 years	10.50%

(ii) Details of Repayment Schedule, Interest Rate of Borrowings as on 31 March 2017 :

Term Loan	Repayment Tenure(As per CDR)	Rate of Interest
SBI - WCTL	5 years	10.50%
SBI - TL	5 years	10.50%
PNB - WCTL	5 years	10.50%
PNB - TL	5 years	10.50%
ICICI - WCTL	5 years	10.50%
ICICI - TL	5 years	10.50%
BOI - WCTL	5 years	10.50%
BOI - TL	5 years	10.50%
IDBI - WCTL	5 years	10.50%
IDBI - TL	5 years	10.50%
EXIM - WCTL	5 years	10.50%
EXIM - TL	5 years	10.50%
KMBL - TL	1 year	12.50%

(iii) Details of Repayment Schedule, Interest Rate of Borrowings as on 1 April 2016 :

Term Loan	Repayment Tenure(As per CDR)	Rate of Interest
SBI - FITL	1 year	10.00%
SBI - WCTL	6 years	10.50%
SBI - TL	6 years	10.50%
PNB - FITL	1 year	10.00%
PNB - WCTL	6 years	10.50%
PNB - TL	6 years	10.50%
ICICI - FITL	1 year	10.00%
ICICI - WCTL	6 years	10.50%
ICICI - TL	6 years	10.50%
BOI - FITL	1 year	10.00%
BOI - WCTL	6 years	10.50%
BOI - TL	6 years	10.50%
IDBI - FITL	1 year	10.00%
IDBI - WCTL	6 years	10.50%
IDBI - TL	6 years	10.50%
EXIM - FITL	1 year	10.00%
EXIM - WCTL	6 years	10.50%
EXIM - TL	6 years	10.50%
HDFC - TL	3 months	10.50%
KMBL - TL	2 years	12.50%
SREIEFL - TL	1 year	10.50%

Notes to the Financial Statements as at and for the year ended March 31, 2018

Note 60- The Group has not consolidate ARSS E to E Private Limited considering the fact that the amount of investment in that subsidiary is below rounding off norms of the company

Note 61-The Group has treated following investment in joint venture as discontinued operation

Name of the Entity	Last Available Financial Statement	Equity as per the last available Financial Statements
Harish Chandra - ARSSSPL JV	FY 2010-11	35
ARSS - MVPL JV	FY2008-09	0
ARSS - BALAJI JV	FY 2016-17	2

Note 62-First Time adoption of Ind AS

The accounting policy set out in Note 2 have been applied in preparing the financial statements for the year ended 31st March 2018, the comparative information presented in these financial statements for the year ended 31st March 2017 and in the preparation of an opening Ind AS Balance sheet at 1st Apr 2016(transition date).In preparing its opening Ind AS balance sheet, the group has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (Previous GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the group's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemption Availed**1. Deemed Cost for Property, Plants & Equipments**

Ind As 101 permits a first time adopter to elect to continue with the carrying value for all of its Property, Plant & Equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition . Accordingly the group has elected to measure all of its Property, Plant &

Equipment, Intangible assets at their previous GAAP carrying value.

2. Designation of previously recognized financial instruments.

Ind AS 101 allows an entity to designate investments in equity instruments at FVTOCI on the basis of the facts and circumstances at the date of transition to Ind AS. The group has elected to apply this exemption for its investment in equity investments.

3. Deemed Cost For Investment In Joint Ventures

Ind As 101 allows a first time adopter to measure the investments in joint ventures one of the following amounts in its standalone opening Ind As Balance Sheet.

- i) Cost determined in accordance with Ind As 27
- ii) Deemed Cost

Deemed Cost of such an investment shall be either of fair value at the date of transition or previous GAAP carrying amount at that date.

The group has opted previous GAAP carrying amount as deemed cost of Investments In Joint Ventures at transition date.

B. Mandatory Exceptions

1. Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies).

Ind AS estimates as at 1st April, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The group made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in equity instruments carried at FVTPL or FVOCI; and
- Impairment loss/gain on Financial assets.

2. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

3. De-recognition of financial assets and liabilities

Ind AS 101 requires a first time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

C. Transition to Ind AS -Reconciliation

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101:

- I) Reconciliation of Balance sheet as at April 1, 2016 and March 31, 2017
- II) Reconciliation of Statement of Profit and Loss for the year ended March 31, 2017
- III) Reconciliation of Equity as at April 1, 2016 and March 31, 2017

The presentation requirements under Previous GAAP differs from Ind AS and hence, Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The Regrouped Previous GAAP information is derived from the Financial

Statements of the group prepared in accordance with Previous GAAP.

I. Reconciliations of Balance Sheet as at April 1, 2016 and March 31, 2017
(a) Reconciliations of Balance Sheet as at April 1, 2016

(Rupees in INR' Lakhs)

Particulars	Note No.	As at 1 st April, 2016 (Previous GAAP)	Adjustments	As at 1 st April, 2016 (Ind AS)
I. ASSETS				
1. Non-current Assets				
(a) Property, Plant and Equipments	1 & 4	37,177	(10,671)	26,506
(b) Capital Work-in-progress	4	-	10,569	10,569
(c) Intangible Assets		-	-	-
(d) Financial Assets		-	-	-
(i) Investments	4 & 7	2,461	(550)	1,911
(ii) Trade Receivables		-	-	-
(ii) Loans	4	92,746	(92,421)	325
(iii) Other Financial Assets	4	-	92,867	92,867
(e) Deferred Tax Assets (net)		-	-	-
(f) Other Non-current Asset	8	15	16	31
2. Current Assets				
a. Inventories	1	55,783	(8)	55,775
b. Financial Assets		-	-	-
(i) Investments		-	-	-
(ii) Trade Receivables	4 & 3	26,989	(8,473)	18,516
(iii) Cash & Cash Equivalents	4	7,603	(6,186)	1,417
(iv) Bank Balances Other Than three above	4	-	6,186	6,186
(v) Loans	4 & 6	26,020	(17,811)	8,209
(vi) Other Financial Assets	4	-	16,390	16,390
c. Current Tax Assets (Net)	4	-	6,984	6,984
d. Other Current Assets	4	-	2,074	2,074
3. Asset Held For Disposal	1	-	107	107
T O T A L		248,794	(927)	247,867
II. EQUITY AND LIABILITIES				
1. Equity				
a. Equity Share Capital	5	2,984	(1,500)	1,484
b. Other Equity	10	35,227	(383)	34,844
2. Non-Controlling Interest		4	-	4
2. Liabilities				
(I) Non-current liabilities				
a. Financial Liabilities				
(i) Borrowings	4 & 5	79,846	(18,107)	61,739
(ii) Trade Payables		-	-	-
(iii) Other Financial Liabilities	4	-	8	8
b. Provisions	4	-	74	74
c. Deferred Tax Liabilities (net)	2	2,817	(418)	2,399
d. Other Non-current Liabilities	4	-	108	108
(II) Current liabilities				
a. Financial Liabilities				
(i) Borrowings	4	94,948	-	94,948
(ii) Trade Payables	4	6,047	(476)	5,571
(iii) Other Financial Liabilities	4	-	43,429	43,429
b. Provisions	4	127	(112)	15
c. Other Liabilities	4	26,794	(23,550)	3,244
d. Current Tax Liability (Net)		-	-	-

Particulars	Note No.	As at 1 st April, 2016 (Previous GAAP)	Adjustments	As at 1 st April, 2016 (Ind AS)
TOTAL		248,794	(927)	247,867

(b) Reconciliations of Balance Sheet as at March 31,2017

(Rupees in INR' Lakhs)

Particulars	Note No.	As at 31 st March, 2017 (Previous GAAP)	Adjustments	As at 31 st March,2017 (Ind AS)
I. ASSETS				
1. Non-current Assets				
(a) Property,Plant and Equipments	1 & 4	30,563	(9,903)	20,660
(b) Capital Work-in-progress	4	-	9,906	9,906
(c) Intangible Assets		-	-	-
(d) Financial Assets		-	-	-
(i) Investments	4 & 7	2,048	(706)	1,342
(ii) Trade Receivables		-	-	-
(iii) Loans	4	87,904	(87,571)	333
(iv) Other Financial Assets	4	-	88,025	88,025
(e) Other Non-current Asset		-	-	-
2. Current Assets	8	15	-	15
a. Inventories	1	5,874	(5)	5,869
b. Financial Assets				
(i) Investments		-	-	-
(ii) Trade Receivables	4 & 3	12,553	(4,339)	8,214
(iii) Cash & Cash Equivalents	4	7,505	(5,807)	1,698
(iv) Bank Balances Other Than three above	4	-	5,807	5,807
(v) Loans	4 & 6	46,131	(42,024)	4,107
(vi) Other Financial Assets	4	-	37,492	37,492
c. Current Tax Assets (Net)	4	-	6,325	6,325
d. Other Current Assets	4	-	1,875	1,875
3. Asset Held For Disposal	1	-	2	2
TOTAL		192,593	(923)	191,670
II. EQUITY AND LIABILITIES				
1. Equity				
a. Equity Share Capital	5	2,984	(1,500)	1,484
b. Other Equity	10	2,165	(585)	1,580
2. Non-Controlling Interest		4	-	4
2. Liabilities				
(i) Non-current Liabilities				
a. Financial Liabilities				
(i) Borrowings	4 & 5	71,749	1,500	73,249
(ii) Trade Payables		-	-	-
(iii) Other Financial Liabilities		-	-	-
b. Provisions	4	-	70	70
c. Deferred Tax Liabilities (net)	2	2,236	(335)	1,901
d. Other Non-current Liabilities	4	-	108	108
(ii) Current Liabilities				
a. Financial Liabilities				
(i) Borrowings	4	101,966	-	101,966
(ii) Trade Payables	4	5,478	(582)	4,896

(iii) Other Financial Liabilities	4	-	4,771	4,771
b. Provisions	4	-	18	18
c. Other Current Liabilities	4	6,011	(4,388)	1,623
d. Current Tax Liability (Net)		-	-	-
TOTAL EQUITY and LIABILITIES		<u>192,593</u>	<u>(923)</u>	<u>191,670</u>

(C) Reconciliation of Statement of Profit and Loss for the year ended March 31, 2017

(Rupees in INR' Lakhs)

Particulars	Note No.	31 st March, 2017 (Previous GAAP)	Adjustments	31 st March, 2017 (Ind AS)
Income				
I. Revenue from Operations	4 & 6	85,036	(1,371)	83,665
II. Other Incomes	4 & 7	1,535	(156)	1,379
III. Other Gains/(Losses)	4 & 6	-	111	111
Total Income		<u>86,571</u>	<u>(1,416)</u>	<u>85,155</u>
IV. Expenses				
(a) Cost of Materials Consumed	4	17,319	(255)	17,064
(b) Cost Of Goods/Services Sold	4		16,340	16,340
(c) Change in Inventories (Increase) /Decrease	4	46,660	-	46,660
(d) Depreciation and Amortization expenses	1	3,259	4	3,263
(e) Employee Benefit Expenses		2,764	-	2,764
(f) Finance cost	4	8,215	(516)	7,699
(g) Other Expenses	3 & 4	41,977	(16,974)	25,003
Total expenses		<u>120,194</u>	<u>(1,401)</u>	<u>118,793</u>
V. Profit Before exceptional and tax		(33,623)	(15)	(33,638)
Share of net profit or associates and joint ventures accounted using equity method				(104)
Exceptional items		-	-	-
VIII. Profit before Taxes		(33,623)	(15)	(33,742)
IX. Provision for Taxes				
(a) Current Tax				
(B) Tax of Earlier Years		(20)	-	(20)
(b) Deferred Tax	2	581	(83)	498
X. Profit (Loss) for the Period		(33,062)	(98)	(33,264)
XI. Other Comprehensive Income				
A (i) Items that will not be reclassified to profit or loss :				
(a) Changes in investments in equity shares carried at Fair Value through OCI		-	-	-
(b) Re-measurement of defined employee benefit plans		-	-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss :				
- on Revaluation Surplus on Property, Plant & Equipment		-	-	-
- on Re-measurement of defined employee benefit plans		-	-	-
B (i) Items that will be reclassified to profit or loss :				

(a) Changes in investments other than equity shares carried at Fair Value through OCI (FVOCI)	-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss :	-	-	-
XII. Total Other comprehensive Income after tax	-	-	-
XIII. Total comprehensive income for the period	(33,062)	(98)	(33,264)

d. Reconciliation of Equity as at April 1, 2016 and March 31, 2017

(Rupees in INR' Lakhs)

Particulars	Note No	As at 31-March-17	As at 1-April-16
Total equity as per previous GAAP		5,149	38,211
Debt Component Of Equity Instruments	5	(1,500)	(1,500)
Deferred taxes under balance sheet approach	2	335	418
Elimination of finance component of debt revenue	6	(231)	-
Reserves for equity instruments through OCI		-	-
Derecognition of Intangible Items	8	-	-
Impact of Equity method Consolidation of Associates	7	(690)	(534)
Restatement of Property,Plant and Equipment	1	1	(3)
Impairment Losses on Financial Assets	3	-	(264)
Total equity as per Ind AS		3,064	36,328

Notes to first time adoption

1. Property,Plant and Equipment :

- a) As per paragraph six of Ind AS 105 "Non-Current Assets Held for sale and Discontinued Operations," An entity shall classify a non current asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Accordingly the group has classified an amount of ₹ 107 Lakhs as on transition date and ₹ 2 Lacs as on comparative date as Asset held for Disposal.
- b) As per paragraph eight of Ind AS 16 "Property, Plant and Equipment" Stores & Spares, which meet the definition of Property,Plant and Equipment shall be recognised as Property, Plant and Equipment else will be recognised as Inventories in accordance with Ind AS 2 "Inventories". Accordingly the group has recognised an amount of ₹ 5 Lakhs as on transition date and ₹ 3 Lacs as on comparative date as Asset held for Disposal.

Considering above two adjustments the net Ind AS impact on "Property,Plant and Equipment" ₹ 102 lakhs(107 lakhs-5 lakhs) as on transition date and ₹ 3 lakhs in comparative period."

2. Deferred Taxes

"Under previous GAAP, deferred taxes were recognised based on Profit & loss approach i.e. tax impact on difference between the accounting income and taxable income. Under Ind AS 12 "Income Taxes," deferred tax is recognised by following balance sheet approach i.e. tax impact on temporary difference between the carrying value of asset and liabilities in the books and their respective tax base. Consequently the impact is as below :-

As on Transition date i.e. 1st Apr 2016 :: ₹ 418 Lakhs of deferred tax assets additional

As on Comparative date i.e. 31st Mar 2017 :: ₹ 335 Lakhs of deferred tax assets additional

3. Impairment of Trade receivables

"As per Ind AS 109 Financial Instrument "Recognition and Measurement," the group is required to apply expected credit loss model for recognising the impairment loss on trade receivables. Accordingly, the group has created additional allowances for impairment loss (exclusive of fully credit impaired receivables) to the tune of following amounts :-

As on Transition date i.e. 1st Apr 2016 :: ₹ 264 Lakhs

4. Reclassification and Regrouping

As per Ind AS 101 “First-time Adoption of Indian Accounting Standards” reclassify items that it recognised in accordance with previous GAAP as one type of asset, liability or component of equity, but are a different type of asset, liability or component of equity in accordance with Ind AS. Accordingly the group has reclassified certain items based on its nature.

5. Preference Share Capital

As per paragraph Nineteen of Ind AS 32 “Financial Instruments: Presentation” if an entity doesn’t have an unconditional right to avoid delivering cash or another financial asset to settle a contractual obligation, the obligation meets the definition of a financial liability.

Accordingly the group has recognised Preferential Capital issued in accordance with CDR scheme as Financial Liability under Non-Current Borrowings.

6. Discounting of Deferred Consideration

Deferred consideration in the nature of retention money, security deposits or withhold money should be discounted in order to arrive at the fair value of the consideration receivable from the contract in accordance with Para 12 of IndAS 11, Construction contracts. Accordingly revenue has been reduced to the extent of ₹ 231 lakhs in comparative period.

7. Equity Method Accounting of Associates

In accordance with paragraph 16 of Ind AS 28 “Investments in Associates and Joint Ventures” the entity has accounted investment in Associates in accordance with Equity Method in its consolidated financial statement. Accordingly, there is remeasurement of value of investment in associates to the tune of ₹ 534 lakhs in transition date and ₹ 690 lakhs comparative period.

8. Intangible Items :

As per Ind-AS 38 “Intangible Assets” paragraph 68 ,expenditure is incurred to provide future economic benefits to an entity, but no intangible asset or other asset is acquired or created that can be recognised. In the case of the supply of goods, the entity recognises such expenditure as an expense.

9. Other comprehensive income

Under Ind AS, all items of income and expenses recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expenses that are not recognised in profit and loss but are shown in the statement of profit and loss as ‘other comprehensive income’ includes re-measurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

10. Other Equity

Other Equity has been adjusted consequent to the above Ind AS transition adjustments.

Note - 63

Figures for the previous year have been re-arranged and re-grouped wherever necessary.

As per our report of even date attached.

For Ajay B Garg
Chartered Accountants

For and on behalf of the Board

CA. Ajay B Garg
(Proprietor)
M.No.- 032538

Subash Agarwal
(Chairman)
DIN: 00218066

Rajesh Agarwal
(Managing Director)
DIN : 00217823

S.K. Pattanaik
(Chief Finance Officer)

Alka Khemka
(Company Secretary)

Bhubaneswar

Date : The 30th day of May, 2018

Annexure I

Statement on Impact of Audit Qualifications (for audit report dated 30.05.2018 with modified opinion) submitted along-with Annual Audited Financial Results of ARSS Infrastructure Projects Limited for the Financial Year ended on 31st March, 2018.

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2018 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Amount in Lakhs)	Adjusted Figures (audited figures after adjusting for qualifications) (Amount in Lakhs)
	1.	Turnover / Total income	60,340	60,340
	2.	Total Expenditure	68,217	68,217
	3.	Net Profit/(Loss)	(7,877)	(7,877)
	4.	Earnings Per Share	(24.09)	(24.09)
	5.	Total Assets	180,866	180,866
	6.	Total Liabilities	176,645	176,645
	7.	Net Worth	4,221	4,221
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-

II.	Audit Qualification (each audit qualification separately):
a.	<p>Details of Audit Qualification:</p> <p>a) In the absence of audited books of accounts of Balaji-ARSS JV, ARSS-MVPL JV, ARSS-SIPS JV, ARSS-BMS JV, discrepancies, if any, between the said accounts with that of the Company is not ascertainable.</p> <p>b) In absence of relevant records, Contract-wise surplus/loss has neither been ascertained nor recognized in compliance with Ind AS-115 'Revenue from contract with customers'.</p> <p>c) The company has overdue accumulated secured debts amounting to ₹ 1491.49 Crores subject to reconciliation interest thereon from 01.04.2016. Banks has classified it as NPA. No interest has been charged on these secured debts to the Profit & Loss account resulting in understatement of loss to that extent and understatement of liability. Secured lenders have served notices on various dates under section 13(2) of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 for recovery of their dues.</p> <p>d) Interest on Service Tax payable of ₹ 88.03 Lakhs has not provided, resulting to underreporting of loss to that extent.</p> <p>e) Interest on Mobilization Advance Received of ₹ 365.89 Lakhs has not been provided, resulting to underreporting of loss to that extent.</p> <p>f) We draw attention to the Note No. 10 to accompanying statement, wherein, Company has recognized claims receivables from various agencies amounting to ₹ 130.55 Crores as revenue during the year in view of increased certainty of the same.</p> <p>g) We draw attention to the Note No. 12 to accompanying statement, wherein, based on expert advice and management estimation, Company has made downward revaluation of fixed assets by ₹ 9510.76 Lakhs to represent it at fair value.</p> <p>h) We draw attention to the Note No. 13 to accompanying statement, wherein, director's remuneration given is pending for approval from Central Government.</p>
b.	Type of Audit Qualification : Qualified Opinion

	<p>c. Frequency of qualification:</p> <p>Qualification No. a) since Financial Year 2013-14 Qualification No. b) since Financial Year 2013-14 Qualification No. c) since Financial Year 2016-17 Qualification No. d) since Financial Year 2016-17 Qualification No. e) since Financial Year 2017-18 Qualification No. f) since Financial Year 2017-18 Qualification No. g) since Financial Year 2017-18 Qualification No. h) since Financial Year 2017-18</p>
	<p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Management view is as follows:</p> <p>For Qualification No-(f) : The Company has recognized claims receivables from various agencies amounting to ₹130.55 Crores as revenue as the cost on those projects has already been incurred by the company and the matter is under arbitration.</p> <p>For Qualification No-(g) : The Company has made downward revaluation of fixed assets by ₹ 9510.76 Lakhs to represent it at fair value due obsolescence of assets.</p> <p>For Qualification No-(h): The company had already applied to Central Government for approval of Director's remuneration the approval of which is pending.</p>
	<p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p> <p>(i) Management's estimation on the impact of audit qualification: Nil</p> <p>(ii) If management is unable to estimate the impact, reasons for the same:</p> <p>For Qualification No-(a): The Joint Venture has completed the object for which it was formed. No transaction has been entered into during the Year. The accounts of the JVs are under the control of respective JV Partners i.e. Balaji Engicons Pvt. Ltd., Mateshwari Vanijya Pvt.Ltd., Shyam Indus Power Solutions Pvt. Ltd. and BMS Projects. The accounts of these JVs are yet to be finalized from their end. Hence financial implication for the JV is not quantifiable. However the accounting effect of the discrepancies, if any, after the finalization of its accounts will be given at current date.</p> <p>For Qualification No-(b): During the work execution period there is escalation claim, revision of contract value, extension of completion period, etc. due to which unpredictable variation in reliable estimation of revenue and cost. Also the allocation of combine Operating overhead, Head office overhead and Financial Cost is not possible due to combine use or high swapping of resources, size of the Contracts. Hence financial implication of the qualification is not quantifiable.</p> <p>For Qualification No-(c) : The Company has not provided interest on NPA accounts, Since the outstanding amount is not quantifiable and the company is in the process for one time settlement with the banks.</p> <p>For Qualification No-(d): Management is unable to determined input credit of service tax and there would be variation in service tax liability, hence unable to quantify interest liability on same.</p> <p>For Qualification No-(e): Interest on Mobilization Advance Received of ₹ 365.89 Lakhs has not been provided as the department has the practice to deduct interest & principal of mobilization advance from our running account bill.</p>
	<p>(iii) Auditors' Comments on (i) or (ii) above:</p> <p>As per our qualifications.</p>

III.		Signatories:
	<ul style="list-style-type: none"> ● CEO/Managing Director 	
	<ul style="list-style-type: none"> ● CFO 	
	<ul style="list-style-type: none"> ● Audit Committee Chairman 	
	<ul style="list-style-type: none"> ● Statutory Auditor 	
	<p>Place: Bhubaneswar Date: 30.05.2018</p>	

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(₹ in 'Lakhs')

Sr. No.	Particulars	Details
1.	Name of the subsidiary	ARSS Damoh Hirapur Tolls Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA
4.	Share capital	2,212
5.	Reserves & surplus	-
6.	Total assets	10,734
7.	Total Liabilities	10,734
8.	Investments	-
9.	Turnover	-
10.	Profit before taxation	-
11.	Provision for taxation	-
12.	Profit after taxation	-
13.	Proposed Dividend	-
14.	% of shareholding	99.82%

Part "B": Subsidiaries

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies

(₹ in 'Lakhs')

Name of Associates Company	ARSS Developers Limited
1. Latest audited Balance Sheet Date	31.03.2018
2. Shares of Associate held by the company on the year ended	
No. of shares	25,00,000 Equity Shares
Amount of Investment in Associates/Joint Venture	1,000
Extend of Holding %	38.41%
3. Description of how there is significant influence	By virtue of shareholding
4. Reason why the associate is not consolidated	NA
5. Net worth attributable to shareholding as per latest audited Balance Sheet	38
6. Profit/Loss for the year	
i. Considered in Consolidation	-270
ii. Not Considered in Consolidation	-477

For Ajay B Garg

Chartered Accountants

CA. Ajay B Garg

(Proprietor)

M. No.- 032538

Subash Agarwal

(Chairman)

For and on behalf of the Board of Directors

Rajesh Agarwal

(Managing Director)

S. K. Pattanaik

(Chief Finance Officer)

Alka Khemka

(Company Secretary)

Place: Mumbai

Dated: Date : 30 May 2018

NOTES

CORPORATE OFFICE

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

REGISTERED OFFICE

Plot No. 38, Sector - A, Zone - D,
Mancheswar Industrial Estate,
Bhubaneswar - 751 010, Odisha, INDIA.
Tel. : 91 674 258852 / 2588554
Fax : 91 674 2585074



ARSS INFRASTRUCTURE PROJECTS LIMITED

ARSS INFRASTRUCTURE PROJECTS LIMITED

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

CIN: L14103OR2000PLC006230

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

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

NOTICE

NOTICE is hereby given that the 18th Annual General Meeting of the Members of the company will be held on Thursday, 27th September, 2018 at 11.00 A.M, at the Registered Office of the Company at Plot No. 38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar-751010, Odisha, India to transact the following business:

ORDINARY BUSINESS:

1. Adoption of financial statements

To consider and adopt the audited financial statements (including the consolidated financial statements) of the Company for the financial year ended March 31, 2018 and the reports of the Board of Directors ('the Board') and auditors thereon.

2. Appointment of Mr. Rajesh Agarwal as a director liable to retire by rotation

To appoint a Director in place of Mr. Rajesh Agarwal (DIN: 00217823), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

ORDINARY RESOLUTIONS

3. Ratification of Remuneration to Cost Auditor the Financial Year 2018-19

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

“RESOLVED THAT pursuant to provisions of Sections 148(3) and other applicable provisions if any, of Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactments(s) thereof for time being in force) the remuneration be paid to M/s. Asutosh & Associates, Cost Accountants, Bhubaneswar, (Firm Registration No. 000258), appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2018-19, amounting to Rs. 50,000/- (Rs. Fifty Thousands only) as also the payment of tax as applicable and reimbursement of out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed.”

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

4. Appointment of Mrs. Janhabi Deo as Woman/ Independent Director

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

“RESOLVED THAT pursuant to the provisions of section 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Mrs. Janhabi Deo (DIN: 07257699), who has consented to act as Independent Director of the company & has also submitted a declaration that she meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment and the board has proposed her candidature for the office of Director, be and is hereby appointed as Independent Director of the Company with effect from 11th November, 2017 to 10th November, 2018 (for one year) not liable to retire by rotation.”

SPECIAL RESOLUTIONS**5. Re-appointment of Mrs. Janhabi Deo as Woman/ Independent director**

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

“**RESOLVED THAT** pursuant to the provisions of section 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Mrs. Janhabi Deo (DIN: 07257699), who was appointed as Non-Executive Woman Independent Director by the Board of Directors through resolution by circulation from 11th November, 2017 to 10th November, 2018 for the period of one year and whose term of office is expiring on to 10th November, 2018, who has consented for re-appointment as Independent Director of the company & has also submitted a declaration that she meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for re-appointment and the board has proposed her candidature for the office of Director, be and is hereby re- appointed as Woman Independent Director of the Company with effect from 11th November, 2018 to 10th November, 2023 (for five years) not liable to retire by rotation.”

6. Approval for continuation of Mr. Swarup Chandra Parija as Independent Director

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

“**RESOLVED THAT** pursuant to Section 149, Schedule IV and other applicable provisions of the Companies Act, 2013 (‘the Act’) & rules made thereunder and in accordance with the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, consent be and is hereby accorded for continuation of directorship of Mr. Swarup Chandra Parija (DIN: 00363608) as an Independent Director (who is age of 77 (seventy seven) years and above and was appointed by the Members of the Company on 29th September, 2015 for a period of five years with effect from 1st April, 2016 to 31st March, 2021) till the completion of his present term i.e. up to 31st March, 2021.”

NOTES:

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

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

2. Members/Proxies should bring the Attendance Slip duly filled in for attending the Meeting and also their copy of the Annual Report.
3. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, 11th September, 2018 to Friday, 14th September, 2018 (both days inclusive) for the purpose of the Annual General Meeting of the Company.
5. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting of the Company. The Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the Members at the Annual General Meeting of the Company.

6. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
7. Members are requested to notify immediately any change in their address directly to their Depository Participant in case they hold Shares in dematerialized form or to the Company's Registrar & Transfer Agents, in case they hold Shares in physical form.
8. In accordance with the provisions of Section 72 of the Companies Act, 2013, members are entitled to make nominations in respect of the Equity Shares held by them, in physical form. Members desirous of making nominations may procure the prescribed form from the Registrar & Share Transfer Agents and have it duly filled and sent back to them.
9. Electronic copy of the Annual Report and the Notice for 18th Annual General Meeting for 2017-18 is being sent to all Members whose email ids are registered with the Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2017-18 are being sent to them in the permitted mode.
10. Members may also note that the Notice of the 18th Annual General Meeting and the Annual Report for 2017-18 will also be available on the Company's website www.arssgroup.in for their download.
11. Appointment of Directors:
Details as prescribed Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Directors seeking appointment/ reappointment at the Annual General Meeting are provided in the Explanatory Statement to the Notice.
12. Even after registering for e-communication, members are entitled to receive such communication in physical form by post free of cost, upon making a request for the same. For any such communication, the members may also send requests to the Company's Registrar & Share Transfer Agents at email id: investor@bigshareonline.com and/or company's email id: cs@arssgroup.in.
13. The cut-off/ record date for taking ben-pos, for the purpose of e-voting is set by a company is 20th September, 2018 (Thursday), those investors, whose names appear on the shareholder list of on that day shall be eligible for e-voting. A person who is not a Member as on the record date should treat this Notice for information purposes only.
14. Members are requested to visit the website of the Company www.arssgroup.in for viewing the quarterly, half-yearly and Annual financial results and for more information about the Company. Useful information on various services being provided to the investors is also available on the website of the Company.
15. All the investor related communication may be addressed to:

Ms. Alka Khemka

Company Secretary cum Compliance Officer

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

Mancheswar Industrial Estate,

Bhubaneswar- 751010. Odisha, India

E-Mail:- cs@arssgroup.in

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

Or

Registrar and Transfer Agents

Bigshare Services Private Limited

1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road,

Marol, Andheri East, Mumbai – 400059, Maharashtra

Tel: + 91 22-62638261, Fax: + 91 22-62638299
e-mail: marketing@bigshareonline.com, investor@bigshareonline.com
Website: www.bigshareonline.com

16. E-Voting

Voting through electronic means:-

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by Companies (Management and Administration) Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL).

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

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

The remote e-voting period commences on Sunday, 23rd September, 2018 (9:00 am) and ends on Wednesday, 26th September, 2018 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Thursday, 20th September, 2018, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

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

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

- (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsd.com/>
- (iii) Click on Shareholder – Login
- (iv) Put user ID and password as initial password noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/ characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of remote e-Voting opens. Click on remote e-Voting: Active Voting Cycles.
- (vii) Select "EVEN" of ARSS Infrastructure Projects Limited.
- (viii) Now you are ready for e-Voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail secretarial@sunitamohantyandassociates.com with a copy marked to evoting@nsdl.co.in.

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

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

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

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

- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com. or call on toll free no.: 1800-222-990.
- III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on Thursday, 20th September, 2018.
- VI. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Thursday, 20th September, 2018 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.

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

- VII. M/s Sunita Mohanty & Associates., Company Secretaries, Bhubaneswar has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- VIII. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of the Scrutinizer, by use of “Ballot Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- IX. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- X. The Results of voting will be declared within 48 hours from the conclusion of the AGM and the Resolutions will be deemed to be passed on the date of the AGM, subject to receipt of requisite number of votes. The declared results along-with the report of the Scrutinizer shall be placed on the website of the Company www.arssgroup.in and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing.

The results shall also be immediately forwarded to the Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

- XI. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company between 11.00 A.M. and 4.00 P.M. on all working days except Saturdays & Sundays up to and including the date of the Annual General Meeting of the Company.

By Order of the Board
For ARSS Infrastructure Projects Limited

Sd/-
(Alka Khemka)
Company Secretary

Place: Bhubaneswar
Date: 10th August, 2018

ARSS Infrastructure Projects Limited

CIN: L14103OR2000PLC006230
Regd. Office-Plot No.38,
Sector-A, Zone-D,
Mancheswar Industrial Estate, Bhubaneswar-751010, Odisha
Website: www.arssgroup.in

Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 (“Companies Act”)

Item No. 3

The Board of Directors of the Company on the recommendation of the Audit Committee & Nomination and Remuneration Committee approved the appointment and remuneration of M/s. Asutosh & Associates, Cost Accountants, (FRN: 000258) Bhubaneswar at a remuneration of Rs 50,000/- (Rs. Fifty Thousand only) plus applicable taxes and out of pocket expenses to conduct the audit of the cost records of the Company for the financial year ended 31st March, 2019.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a) (ii) of The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditors for the financial year 2018-19 as set out in the Resolution for the aforesaid services to be rendered by them.

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

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

Item No. 4

Mrs. Janhabi Deo (DIN: 07257699) is a Chartered Accountant by profession having 18 years of experience in this field. Mrs. Deo has also Qualified DISA, IFRS & Concurrent audit certificate course conducted by Institute of Chartered Accountants of India and currently working as partner in K. C. Jena & Co since 2000. Mrs. Deo is elected as Managing Committee member of Bhubaneswar branch of EIRC of ICAI for 2016-19. The Company has received from Mrs. Deo (i) consent in writing to act as Independent Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules 2014 (ii) intimation in Form DIR- 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the companies Act, 2013.

In the opinion of the Board of Directors, Mrs. Deo proposed to be appointed, as Independent Director for a term of one year i.e. from 11th November, 2017 to 10th November, 2018, fulfill the conditions specified in the Companies Act, 2013 and the Rules made hereunder and she is independent.

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

The Resolution seeks the approval of members for the appointment of Mrs. Deo as Independent Director of the Company for a term of one year i.e. from 11th November, 2017 to 10th November, 2018 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made hereunder. She is not liable to retire by rotation.

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

None of the Directors, Key Managerial Personnel or their relatives, except Mrs. Deo for whom the Resolution relates, are interested in any way, financial or otherwise, in the said resolution.

Item No. 5**Re-appointment of Mrs. Janhabi Deo as Woman Independent director**

Mrs. Janhabi Deo (DIN: 07257699) is a Chartered Accountant by profession having 18 years of experience in this field. Mrs. Deo has also Qualified DISA, IFRS & Concurrent audit certificate course conducted by Institute of Chartered Accountants of India and currently working as partner in K. C. Jena & Co since 2000. Mrs. Deo is elected as Managing Committee member of Bhubaneswar branch of EIRC of ICAI for 2016-19. The Company has received from Mrs. Deo (i) consent in writing to act as Independent Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules 2014 (ii) intimation in Form DIR- 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the companies Act, 2013.

In the opinion of the Board of Directors, Mrs. Deo proposed to be appointed, as Independent Director for a term of five year i.e. from 11th November, 2018 to 10th November, 2023, fulfill the conditions specified in the Companies Act, 2013 and the Rules made hereunder and she is independent.

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

The Resolution seeks the approval of members for the appointment of Mrs. Deo as Independent Director of the Company for a term of five years i.e. from 11th November, 2018 to 10th November, 2023 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made hereunder. She is not liable to retire by rotation.

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

None of the Directors or Key Managerial Personnel including their relatives, except Mrs. Deo for whom the Resolution relates is concerned or interested, financially or otherwise, in the said resolution.

Item No. 6

Members may note that SEBI vide its notification dated 9th May, 2018 amended Regulation 17 of SEBI (LODR), 2015 effective from 1st April, 2019, which read as under-

"No listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate justification for appointing such a person."

Mr. S. C. Parija is retired Indian Revenue Service, he did Masters Degree in Political Science from Allahabad University and a MSc in Fiscal Studies from University of Bath (U.K) and he is an Executive Member of International Fiscal Association, India, also Served as a Chairman of Income Tax Settlement Commission and as Chief of Administration and Finance of All India Institute of Medical Sciences. He served 38 years of service with the Government of India as Director of Income-tax Investigation, Chief Commissioner of Income-tax and Director General of Income-tax Investigation. He is one of the senior most members of the Board of Directors of the Company and the Chairman of the Audit Committee, Nomination & Remuneration Committee and

Stakeholders Relationship Committee of the Company. He is also an Independent Director on the Board of Filatex India Limited and Chairman of its Audit Committee and Nomination & Remuneration Committee.

The Members of the Company on 29th September, 2015 approved the appointment of Mr. Swarup Chandra Parija (DIN: 00363608) as an Independent Director of the Company for a period of five years with effect from 1st April, 2016 to 31st March, 2021 (for five years) Mr. Parija will complete his present term on 31st March, 2021.

In terms of the recently notified Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, consent of the Members by way of Special Resolution is required for continuation of a Non-Executive Director beyond the age of seventy five years and Mr. Parija age of 77 years (seventy seven years and above).

The Nomination & Compensation Committee ('the Committee') and the Board of Directors of the Company ('the Board') are of the view that in order to take advantage of Mr. Parija counsel and advice, it would be appropriate that he continues to serve on the Board till the completion of his present term of appointment as already approved by the Members. Accordingly, the Board at the meeting held on 10th August, 2018, on the recommendation of the Committee, recommended for the approval of the Members, continuation of Mr. Parija as an Independent Director of the Company till the completion of his present term i.e. up to 31st March, 2021, on the existing terms and conditions.

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

None of the Directors or Key Managerial Personnel including their relatives, except Mr. Parija for whom the Resolution relates is concerned or interested, financially or otherwise, in the said resolution.

By Order of the Board
For ARSS Infrastructure Projects Limited

Place: Bhubaneswar
Date: 10th August, 2018

Sd/-
(Alka Khemka)
Company Secretary

ARSS Infrastructure Projects Limited
CIN: L14103OR2000PLC006230
Regd. Office-Plot No.38, Sector-A, Zone-D,
Mancheswar Industrial Estate,
Bhubaneswar-751010, Odisha, India
Website: www.arssgroup.in

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/
RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING**
(Pursuant to Regulation 36(3) of the
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Name of Director	Mr. Rajesh Agarwal	Mrs. Janhabi Deo	Mr. S. C. Parija
DIN	00217823	07257699	00363608
Date of Birth	12/01/1973	28/06/1970	03/03/1941
Date of Appointment	17/05/2000	11/11/2017	27/11/2007
Qualifications	B.E (Civil)	Chartered Accountants	MA (Political Sc), MSc. (Fiscal Std.),
Expertise in specific functional areas	Civil Construction	Finance & Accounts	Income Tax
List of Companies in which outside Directorship held as on 31.03.2018	1. ARSS Steel & Power Limited 2. ARSS Cement Limited 3. North West Sales and Marketing Ltd	Nil	Filatex India Limited
Chairman/Member of the *Committees of other Companies on which he/she is a Member as on 31.03.2018	Nil	Nil	Audit Committee-Chairman, Nomination & Remuneration Committee-Chairman, Stakeholders Relationship Committee-Member
Number of equity shares held in the Company	5,38,745	Nil	Nil





ARSS INFRASTRUCTURE PROJECTS LIMITED

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

Mancheswar Industrial Estate

Bhubaneswar-751010, Odisha, India

CIN: L14103OR2000PLC006230

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

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

ATTENDANCE SLIP

L.F. No.	
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No. of Shares held	
--------------------	--

DP ID	
-------	--

Client ID	
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I/We hereby record my/our presence at 18th Annual General Meeting of the Company on Thursday, 27th September, 2018 at the Registered Office of the Company.

Name of the Member _____
(IN BLOCK LETTER)

Signature of member/proxy* _____

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





Proxy Form – MGT11

ARSS INFRASTRUCTURE PROJECTS LIMITED

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

Mancheswar Industrial Estate Bhubaneswar-751010, Odisha, India

CIN: L14103OR2000PLC006230

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

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

Name of the Company: ARSS Infrastructure Projects Limited

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

Website: www.arssgroup.in

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

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

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 at the 18th Annual General Meeting of the Company, to be held on 27th September, 2018 at 11.00 A.M. at the Registered Office of the Company and at any adjournment thereof, in respect of such resolutions set out in the Notice convening the meeting, as are indicated below:

Resolution No.1: Adoption of financial statements.

Resolution No.2: Appointment of Mr. Rajesh Agarwal as a director liable to retire by rotation.

Resolution No.3: Ratification of Remuneration to Cost Auditor for the financial year 2018-19.

Resolution No.4: Appointment of Mrs. Janhabi Deo as Woman/ Independent director.

Resolution No.5: Re-appointment of Mrs. Janhabi Deo, Woman/ Independent director

Resolution No.6: Approval for continuation of Mr. Swarup Chandra Parija as Independent Director

Affix Revenue Stamp of ₹ 1/-

Signed this _____ day of _____, 2018

Signature of Shareholder

Signature of Proxy Holder(s)

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



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

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

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

BALLOT PAPER

(For Annual General Meeting on 27.09.2018)

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

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

ORDINARY BUSINESSSES

Sr. No.	Resolutions	No. of shares held by me	I assent to the resolution	I dissent from the resolution
1	Adoption of financial statements To consider and adopt the audited financial statements (including the consolidated financial statements) of the Company for the financial year ended March 31, 2018 and the reports of the Board of Directors ('the Board') and auditors thereon			
2	Appointment of Mr. Rajesh Agarwal as a director liable to retire by rotation			

SPECIAL BUSINESSSES

3	Ratification of Remuneration to Cost Auditor for the financial year 2018-19			
4	Appointment of Mrs. Janhabi Deo as Woman/ Independent director			
5	Re-appointment of Mrs. Janhabi Deo as Woman/ Independent director			
6	Approval for continuation of Mr. Swarup Chandra Parija as Independent Director			

Place: Bhubaneswar

Date: 27.09.2018

(Signature of the shareholder)

ARSS INFRASTRUCTURE PROJECTS LIMITED

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

CIN: L14103OR2000PLC006230

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

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

Sr. No.:-

Folio No./DP ID / Client ID :

Name :

Address :

Number of Shares held :

Dear Member,

Subject: Process and Manner for Availing E-Voting facility

Pursuant to the Section 108 of the Companies Act, 2013 (“the Act”) read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and of Companies (Management and Administration) Rules, 2015 as amended that the Company is pleased to offer e-voting facility to the members to cast their votes electronically as an alternative to participation at the Annual General Meeting to be held on Thursday, 27th September, 2018 at 11.00 A.M.

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

The e-voting particulars are set out below:

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

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

Commencement of e-voting	End of e-voting
Sunday, 23 rd September, 2018 (9:00 am)	Wednesday, 26 th September, 2018 (5:00 pm)

INSTRUCTIONS FOR E-VOTING

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

1. User ID and Initial Password for E-voting is provided in the table given on the face of this annexure to the Notice.
2. NSDL shall also be sending the User-ID and Initial password to those members whose shareholding is in dematerialized format and whose Email addresses are registered with the Company/Depository Participants. For members who have not registered their Email Id can use the details as mentioned in the table above.
3. Launch the internet browser by typing the following URL:<https://www.evoting.nsdl.com>
4. Click on “Shareholder-Login.
5. Put user ID and Password noted in step (a) above as the initial password. Click login. If are already registered with NSDL for e-voting then you can use your existing User ID and Password for Login.

6. If you are logging in for the first time, Password Change Menu appears. Change the Password of your choice with minimum 8 digits / characters or a combination thereof. Please note the new Password for all the future e-voting cycles offered on NSDL e-voting Platform. It is strongly recommended not to share your Password with any other person and take utmost care to keep your Password confidential.
7. Home page of “e-voting” opens. Click on “e-voting”: Active Voting Cycles.
8. Select “EVEN (E-Voting Event Number)” of ARSS Infrastructure Projects Limited For and EVEN, you can login any number of times on e-voting platform of NSDL till you have voted on the resolution during the voting period.
9. Now you are ready for “e-voting” as “Cast Vote” Page opens.
10. Cast your vote by selecting appropriate option and click “Submit” and also “Confirm” when prompted. Kindly note that vote once cast cannot be modified.
11. Institutional members (i.e. members other than individuals, HUF, NRIs, etc.) are also required to send scanned copy (PDF/JPG format) of the relevant board resolution / authority letter, etc. together with the attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through email at : secretarial@sunitamohantyandassociates.com in with a copy marked to evoting@nsdl.co.in. You can also forward the documents at the Company’s Email ID: cs@arssgroup.in .
12. Once the vote on a resolution is cast by the shareholder s/he shall not be allowed to change it subsequently.
13. In case of any queries you may refer the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the “downloads” section of <https://www.evoting.nsdl.com> or contact NSDL by email at evoting@nsdl.co.in.
14. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the company as on the cut-off date (record date) of 20th September, 2018 (Thursday),.
15. M/s Sunita Mohanty & Associates, Company Secretaries, Bhubaneswar has been appointed as the Scrutinizer to scrutinize the E-voting process/ Postal ballot in a fair and transparent manner.
16. The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the E-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
17. The Results shall be declared on Friday, 28th September, 2018 at the registered office of the Company. The results declared along with the Scrutinizer’s Report shall be placed on the company’s website www.arssgroup.in and on the website of NSDL within two (2) days of passing of the resolution and the same shall also be communicated to the Bombay Stock Exchange Limited and National Stock Exchange of India Limited where the shares of the Company are listed.

Registered Office of the Company:

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

Share Transfer Agents:

M/s. Bigshare Services Private Limited.
Unit – ARSS Infrastructure Projects Ltd.
1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road,
Marol, Andheri East,
Mumbai – 400059, Maharashtra
Tel: + 91 22-62638261 Fax: + 91 22-62638299
e-mail: marketing@bigshareonline.com,
investor@bigshareonline.com
Website: www.bigshareonline.com