

January 23, 2010

Shri S. K. Pattanaik,
Director (Finance),
ARSS Infrastructure Projects Ltd.,
Plot No. 38, Sector – A, Zone – D,
Mancheswar Industrial Estate,
Bhubaneswar – 751 010.

Confidential

Dear Sir,

Revalidation of Grading of Initial Public Offering (IPO) for Rs.103 crore

Please refer to your request on the captioned subject.

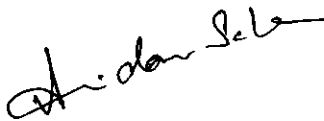
2. Our rating Committee has revalidated the 'CARE IPO Grade 2 [Grade Two]' assigned to the proposed IPO issue of Rs.103 crore of your company. CARE IPO Grade 2 indicates Below Average Fundamentals. CARE assigns IPO grades on a scale of Grade 5 to Grade 1, with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals. CARE's IPO grading is an independent and professional opinion on the relative assessment of the fundamentals of the issuer.
3. Please note that wherever 'CARE IPO Grade 2' [Grade Two] appears, it should invariably be followed by the definition 'CARE IPO Grade 2 [Grade Two] indicates Below Average Fundamentals'.
4. The explanatory notes regarding the grading symbols of CARE for IPO grading are given in **Annexure**.
5. Please arrange to get the grading revalidated, in case the proposed IPO issue is not made within two months from the date of this letter.
6. Please note that the IPO grading is a one time exercise undertaken before an IPO issue and it does not have any ongoing validity.
7. Please note that the disclaimer as given hereunder should be disclosed wherever the IPO grading assigned by CARE is mentioned, including offer document and issue prospectus.



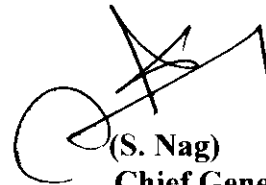
8. CARE's IPO grading does not take cognizance of the price of the security, **it is not a recommendation to buy, sell or hold shares/securities.** It is also not a comment on the offer price or the listed price of the scrip. It does not imply that CARE performs an audit function or forensic exercise to detect fraud.
9. If you need any clarification, you are welcome to approach us in this regard.

Thanking You,

Yours faithfully,



(A. Saha)
Senior Manager



(S. Nag)
Chief General Manager

DISCLAIMER:

CARE's IPO grading is a one time assessment and the analysis draws heavily from the information provided by the issuer as well as information obtained from sources believed by CARE to be accurate and reliable. However, CARE, does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. CARE's IPO grading does not take cognizance of the price of the security and it is not a recommendation to buy, sell or hold shares/securities. It is also not a comment on the offer price or the listed price of the scrip. It does not imply that CARE performs an audit function or forensic exercise to detect fraud. It is also not a forecast of the future market performance and the earnings prospects of the issuer; also it does not indicate compliance/violation of various statutory requirements. CARE shall not be liable for any losses incurred by users from any use of the IPO grading.

Annexure

CARE IPO grading Scale

CARE IPO grade	Evaluation
CARE IPO Grade 5	Strong fundamentals
CARE IPO Grade 4	Above average fundamentals
CARE IPO Grade 3	Average fundamentals
CARE IPO Grade 2	Below average fundamentals
CARE IPO Grade 1	Poor fundamentals