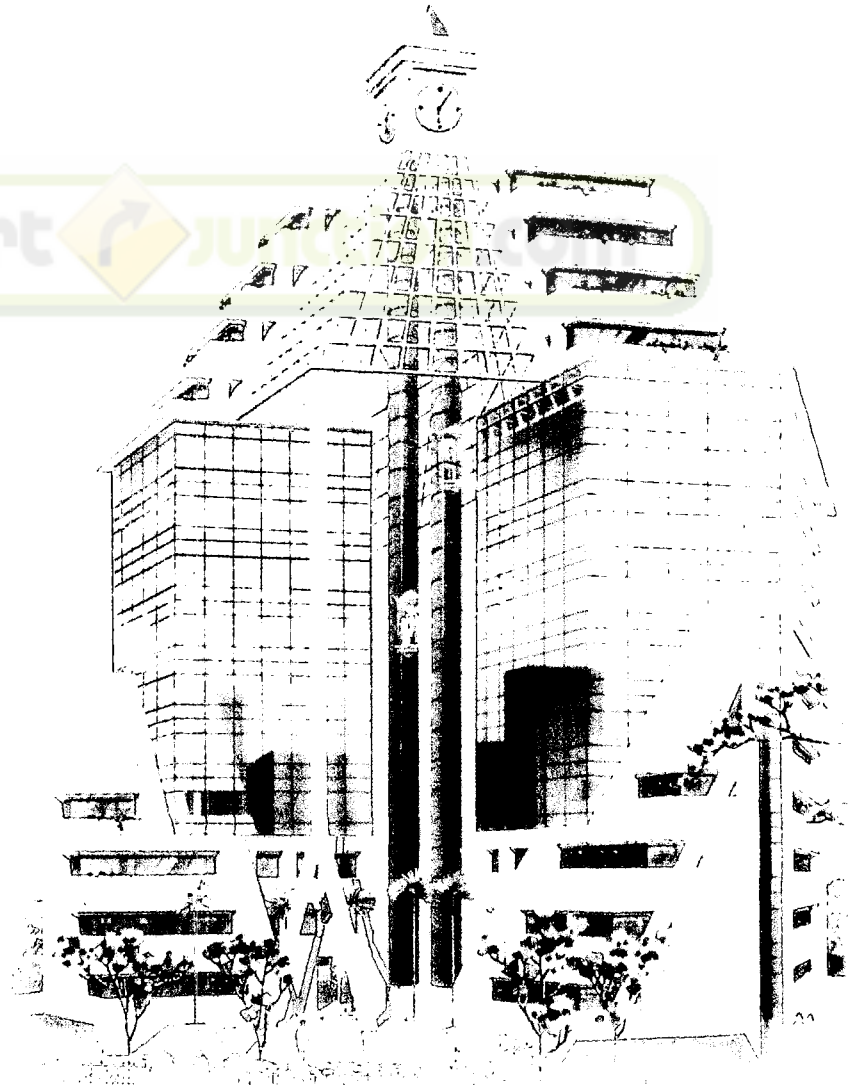
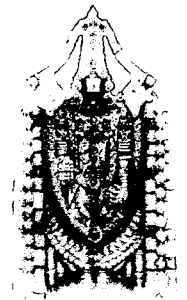
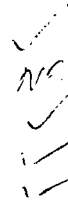
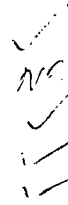


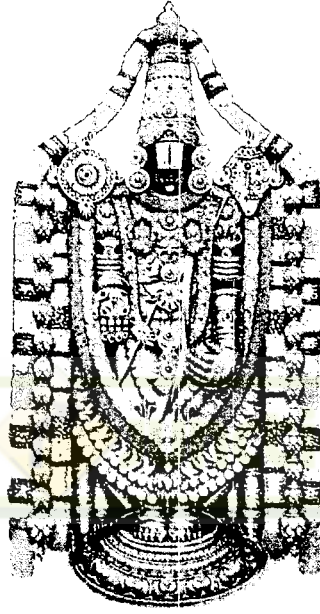
Arihant

Foundations and Housing Ltd

BUILDING ON INTEGRITY



Laying the Foundations of a beautiful tomorrow
ANNUAL REPORT 97 - 98



ॐ तत् सत्

“ All pervasive, omnipotent...

Lord Venkateshwara - the primal cause of the world,
is our guiding force.

O' Lord we come from you and we belong to you.
We act through you and all that we have belongs to you.

Arihant Foundations & Housing Ltd.
treads on to the path shown by you. “



CHAIRMAN'S SPEECH

"Ladies and Gentlemen,

Chennai "**the city of charm and the epitome of Culture**" is now progressing steadily on the path of acquiring a truly cosmopolitan look. Entrepreneurs and Businessmen, not only from other cities in India but also from abroad are coming here to explore and invest in potentially viable, green field ventures. At a time when the Economy of the Country is engulfed into the clouds of, instability and depression, Chennai is still marching forward, towards further industrialisation.

There has been a rise in inflation but at the same time new vistas of income have opened for Chennaitis due to Globalization and open door policies of the Government. Increase in population coupled with the rise in per capita income has led to an increase in demand for residential apartments. Thanks to the various agencies which have flooded the consumer market with very competitive and flexible schemes of Housing Finance Loans, now it is no longer a Herculean task to give a concrete shape to ones dream of owning a house. After the investors lost faith in Securities Market a lot many of them find it safer to make investments in real estate, with the objective of getting returns, by value appreciation and rental income.

The Demand has by far surpassed the supply and the need of the hour is to initiate steps, for supplying the best to the consumers who are on the look out for quality structures with class, matching the international standards of commercial and residential complexes. The Government has granted various concessions including fiscal concessions on building materials and technology. Housing has now been granted infrastructure status which again draws several fiscal concessions. The Government has provided better impetus to building of residential complexes, by announcing a new housing and habitat policy to provide for 20 lakh houses annually in the country.

The Government has also given a big boost to Information technology park and **liberalised the Floor Space Index** exclusively for Information Technology buildings. Since lot of Information Technology Companies are expected to crop up in Chennai as they did in Hyderabad we expect there to be a boost in demand for such complexes. We have already completed three such complexes which meet the requirements of International clients and Information & Technology parks. Availability of LIC Housing Finance Loan for Commercial Complexes has been a great boon for Real Estate Business.

Media has reported that the Real Estate Business is witnessing a downward trend, I do agree with them, but the slump is not because there is no demand. The depression is being experienced due to the lack of funds. There is hardly any scope for companies



to raise funds from the securities market, and other sources of funds pose a lot of preliminary procedural hurdles.

I am pleased to say that inspite of adverse market conditions, the Company is about to complete five projects during the current year. The Company is on the verge of completing Chennai's first international standard corporate complex, **ARIHANT TRADE CENTRE** at Teynampet. Arihant will be adding the tallest residential complex **ARIHANT MAJESTIC TOWERS** at Inner Ring Road with amenities never before seen in Chennai, by year 2000.

Last but not the least Arihant Foundations & Housing Limited is grateful to its shareholders for the faith they have reposed in the Company and we in turn have done our best to give them the most for their investment. This is proved by the fact that ours is one of those very few Companies in Real Estate Business which have been able to recommend a **dividend**, that too at a time when the real estate business is going through a lean phase. This year the **income of the Company is around Rs.46Crores** which amounts to a drastic **increase of 64%** as compared to previous years' income and **reserves have also increased by 30%** amounting to **Rs.465.21 lacs.** During the financial year 1997-98. This would enable the Company to effectively reduce the dependence of the Company, on outside sources of borrowing for its ongoing projects, leading to the possibility of enhanced returns to the Shareholders, in coming years. We are striving hard, to swim against the current of unfavourable economic conditions, and are confident of coming out into the limelight, in the near future, as one of the best Companies in Real Estate Business.

I take this opportunity for conveying our gratefulness to HUDCO, LIC Housing Finance Ltd. and Bank of Baroda for the trust they have reposed in us, by sanctioning loans, whenever we required the same, for starting new projects and for completion of the existing ones.

NAVRATAN LUNAWATH
Chairman & Managing Director



Mr. Navratan Lunawath



Mr. Rasiklal M. Jhaveri



Mr. Jagdish Bhatt



Mr. Alex Jacob



Col. A.L. Jayabhanu

MANAGEMENT COUNCIL

MR. NAVRATAN LUNAWATH

M.D. & Chairman

Area of responsibility covers all policy decisions and matters related to the growth of the company. He is actively involved in execution and coordinates the land acquisition, approvals and financial decisions for the Company.

**Wholetime
Director (Projects)**
Mr. Rasiklal M Jhaveri
Construction and
material planning of
projects.

**Wholetime
Director (Projects)**
Mr. Jagdish Bhatt
Construction and
material planning of
projects.

**Wholetime
Director (Marketing)**
Col. A.L. Jayabhanu
Marketing
Personnel & Admn.

**Company
Secretary**
Ms. Priti - Venkatesan
Share Department
and Secretarial work.

**Manager
(Accounts)**
Mr. Rashmi R. Parekh
Chartered Accountants.

Manager (Projects)
Mr. Narender Lunawath
Sourcing of raw materials,
supervision and execution
of projects

Manager (Projects)
Mr. Kamal Lunawath
Sourcing of raw materials,
supervision and execution
of projects

Manager (Projects)
Mr. Vimal Lunawath
Sourcing of raw materials,
supervision and execution
of projects

Public Relations Officer
Mr. O P Madhav
Public Relations.

Stenographer
R. Padma

Site Supervisor
N Vikraman Nair
Public Relations

Sr. Accounts Officer
N. Sashikala
Accounts activities.

Accounts Officer
N. Usha Nandini
Accounts activities.

Accounts Officer
R. Soundararajan
Accounts activities.



CORPORATE STRUCTURE

BOARD OF DIRECTORS

Navratan Lunawath	Chairman & Managing Director
Rasiklal M.Jhaveri	Wholetime Director
Jagdish R.Bhatt	Wholetime Director
Col.A.L.Jayabhanu	Wholetime Director
Ashok Khubchandani	Director
Alex Jacob	Director
Anraj Gadia	Director
Damodaran A	Director
Meghraj Lunawath	Director
Gautamchand Lunawath	Director
Mahaveer Lunawath	Director
Shivkumar Reddy	Director

SENIOR EXECUTIVES

Priti Venkatesan	Company Secretary
Rashmi R.Parekh	Manager Accounts
Narender Lunawath	Project Manager
Kamal Lunawath	Project Manager
Vimal Lunawath	Project Manager

BANKERS

Bank of Baroda
Vijaya Bank

AUDITORS

M/S B.P.Jain & Co.,
Chartered Accountants,
No.2,Gee Gee Minar,23 College Road,
Chennai-600006.

LEGAL ADVISOR

K.Venkatasubramanian
25, Singarachariar Street,
Triplicane,Chennai 600 005

REGISTERED OFFICE

Ankur Manor,Ist Floor,
182,Poonamallee High Road,
Kilpauk,Chennai-600010.

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9. SCHEDULES TO THE PROFIT & LOSS ACCOUNT
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11. CASH FLOW STATEMENT
12. ADDITIONAL INFORMATION



NOTICE

Notice is hereby given that the 6th Annual General Meeting of the Members of the Arihant Foundations and Housing Limited will be held at **ARIHANT MAJESTIC TOWERS, 10/11, JAWAHARLAL N SALAI, KOYAMBEDU**, Chennai-104 on Wednesday the **30th December, 1998** at 10.00 A.M. to transact, with or without modifications, as may be permissible, the following business:-

AS ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 30th June, 1998 and Profit and Loss Account for the period ended on that date, together with Reports of the Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in the place of Mr. Shivkumar Reddy, who retires by rotation and being eligible, offers himself for reappointment
4. To appoint a Director in the place of Mr. Anraj H Gadia, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in the place of Mr. Ashok Khubchandani, who retires by rotation and being eligible, offers himself for reappointment.
6. To Appoint and fix remuneration of Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting. The retiring Auditors M/S B.P. Jain & Co., being eligible offer themselves for reappointment.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modifications, the following Resolution as an **Ordinary Resolution**.

7. "RESOLVED That Shri Gautamchand Lunawath, who was appointed as a Director of the Company in the casual vacancy caused by the resignation of Shri V. Ramachandran and who holds office upto this Annual General Meeting, be and is hereby appointed a Director of the Company."
8. "RESOLVED That Shri Mahaveer Lunawath, who was appointed as a Director of the Company in the casual vacancy caused by the resignation of Shri S.V. Ramachandran and who holds office upto this Annual General Meeting, be and is hereby appointed a Director of the Company."

NOTES

1. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, relating to the special business in item No.7 & 8 is annexed herewith.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself. A proxy need not be a member of the Company. The instrument appointing a Proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. Members are requested to notify immediately the changes, if any, in their addresses.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 21st December, 1998 to 30th December, 1998 (Both days inclusive).
5. The Dividend declared will be payable to those shareholders whose names appear in the Register of Members of the Company at the close of business hours on 21st December, 1998.
6. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
7. Members desiring any information as regards the Accounts are requested to write to the company atleast 10 days before the date of the meeting.
8. Members holding shares in identical order of names in more than one folio are requested to write to the Company's Share Department enclosing their Share Certificates, to enable the Company to consolidate their holdings in one folio.

By Order of the Board
for **ARIHANT FOUNDATIONS AND HOUSING LIMITED**

Chennai
16.11.98

PRITI VENKATESAN
Company Secretary

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ANNEXURE TO THE NOTICE**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

Item No.7

Shri Gautamchand Lunawath was appointed by the Board of Directors as a Director of the Company under the provisions of Section 262 of Companies Act, 1956 on 30th September, 1998 to fill the vacancy caused by the resignation of Shri V. Ramachandran. The Company has the notices of his candidature from some of the members of the Company stating inter alia that the services of Shri Gautamchand Lunawath should be available to the Company, along with a deposit of Rs.500/-, in due compliance with the provisions of Section 257 of Companies Act, 1956.

In view of above, the Board feels it fit and proper that Shri Gautamchand Lunawath be appointed as a Director of the Company and commends the resolution for approval of the members.

Except Shri Navratan Lunawath, Chairman and Managing Director and Shri Meghraj Lunawat - Director, being the relatives of Shri Gautamchand Lunawath, none of the directors is in any way concerned or interested in the resolution.

Item No.8

Shri Mahaveer Lunawath was appointed by the Board of Directors as a Director of the Company under the provisions of Section 262 of Companies Act, 1956 on 30th September, 1998 to fill the vacancy caused by the resignation of Shri S.V. Ramachandran. The Company has the notices of his candidature from some of the members of the Company stating inter alia that the services of Shri Mahaveer Lunawath should be available to the Company, along with a deposit of Rs.500/-, in due compliance with the provisions of Section 257 of Companies Act, 1956.

In view of above, the Board feels it fit and proper that Shri Mahaveer Lunawath be appointed as a Director of the Company and commends the resolution for approval of the members.

Except Shri Navratan Lunawath, Chairman and Managing Director and Shri Meghraj Lunawat - Director, being the relatives of Shri Mahaveer Lunawath, none of the directors is in any way concerned or interested in the resolution.

By order of the Board
For **ARIHANT FOUNDATIONS & HOUSING LTD.**

Chennai
16.11.98

(PRITI VENKATEASAN)
Company Secretary