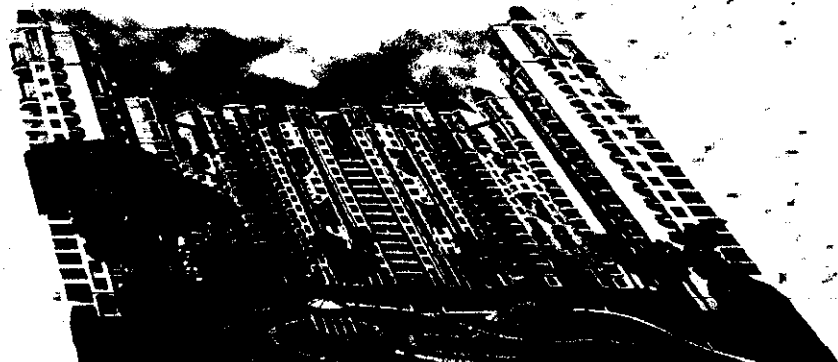


The Vision To Master The Future

34th Annual Report
& Accounts
1998 - 99.

ARIHANT FOUNDATIONS & HOUSING LIMITED

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EGA Trade Centre



CREATIVITY THAT EMANATES FROM THE SOUL

When the new millennium dawns upon Chennai, the city will witness the marvels of concrete which will speak out for themselves. At Arihant it is not just mind which creates the work of art, it is an organisation where the works of architectural excellence emanates directly from the soul.



CHAIRMAN'S SPEECH

"Ladies and Gentlemen,

It gives me great pleasure to welcome you all to the Seventh Annual General Meeting of the Company. The Indian Industry is now facing the rigours of a globalised market, making it necessary to upgrade capabilities to match international standards. Time has come for a major change in mindset, backed by substantial investments in modernisation, scaling up and skills upgradation. Such strategic investments would entail gestation drags subjecting the Managements severely to test, for their staying power and commitment to their Business. Need of the hour is to walk into the next millennium, shedding all pre-occupation, with the mere maximisation of tactical financial results and instead focus on building strategic capabilities. A wholesome balance will have to be struck between the short, medium and long terms. Although the Real Estate Market is currently depressed, it is expected that your Company would be in a position to redeem the investments made by it over a time at a reasonable surplus.

In line with such reasoning and upholding the motto of carving out a place for ourselves in the next millenium, I take the pleasure in informing you that your Company has made remarkable progress in the last twelve months and the Year 2000 holds pleasant surprises in its wake for you all.

Upholding the motto of '**Building on Integrity**' the Company is prepared to bring about a revolution in the jungle of concrete. It will enter the new millennium with completed mega projects, a few of them are "EGA TRADE CENTRE", "ARIHANT TRADE CENTRE", "ARIHANT SQUARE", "ARIHANT PRESIDENCY" etc. which will cater to the needs of the commercial world. The Company has successfully struck the biggest

real estate deal in the country in the last four years by selling ARIHANT TRADE CENTRE to Sterling Infotech Ltd. Year 2000 will witness for the first time in Chennai, a mega residential complex matching International standards - "ARIHANT MAJESTIC TOWERS", which could rightly be referred to as a mini-city within itself. It is a 17-storeyed structure of 310 designer apartments spread over 65 grounds on Inner Ring Road at Koyambedu. The ground is prepared for ARIHANT OCEAN TOWERS, an 18-storeyed structure on Wallajah Road, near Marina Beach.

Arihant has decided to greet the new millennium with the Joint venture launch of its first ever club which has been christened "CLUB MILLENNIA". The Club will be located on 36 grounds sprawling property off Mount Road, close to Melody Theatre. With the launch of Club Millennia, the Company has diversified into hospitality industry thereby preparing itself to break new ground.

The Government of India extended appreciable support to the Housing Industry by granting various concessions including tax relief measures and fiscal concessions on building materials and technology. Housing was granted infrastructure status which again drew several fiscal concessions. The Government provided better impetus to building of residential complexes by announcement of new housing and habitat policy for the provision of 20 lakh houses annually in the Country..

REVIEW OF OPERATING AND FINANCIAL RESULTS

Despite difficult trading conditions, your Company registered a satisfying performance during the last year. In spite of business sentiment continuing to be depressed in the face of weak domestic demand and lacklustre industrial growth your company has managed to post creditable results. The turnover of the

Company increased by 39% , from Rs.4599.97 lacs in 1997-98 to Rs. 6381.76 lacs in 1998-99. The Company succeeded in posting an operating profit of Rs. 202.29 lacs and Earnings per share of Rs. 3.84. Arihant is among those very few Indian Companies in real estate business which have been declaring Dividend continuously for the past four years. This year also the Board of Directors of your Company have recommended a dividend at the rate of 15%.

The management of your Company is committed to the creation of long term Shareholder value. The employees of the Company active today, alongwith their predecessors can be proud of their contribution towards Company's impressive development.

CONCLUSION

The secret of creating a winning Corporation lies in the appreciation of the potential value of human capital and in the ability of the distributed leadership within the Company to nurture and mobilise such talent. I would like to acknowledge the contribution made by your Company's employees at all levels and seek your co-operation, in support of their endeavour.

I take this opportunity in conveying our gratefulness to HUDCO, LIC Housing Finance Ltd, Vijaya Bank, Bank of Baroda, Indian Overseas Bank, Punjab & Sind Bank & all other Financial Institutions for the trust they have reposed in us, by sanctioning loans, whenever we required the same, for starting new projects or for completion of the existing ones. We are also obliged to Chennai Metropolitan Development Authority & Government of Tamil Nadu for having extended full support to us in our endeavour. Last but not the least I wish to convey our heart-felt gratitude to the brave soldiers of Kargil who fought & sacrificed their lives for the safety of our Mother-land. May their

souls rest in peace. We, at Arihant are sorry for the plight which has befallen Orissa Cyclone victims. Arihant will be providing financial support, for the rehabilitation of the people in Orissa, struck by the natural calamity. I on behalf of Arihant wish you all a very happy & prosperous New Millennium. Thank you"

Sd/-

NAVRATAN LUNAWATH

Chairman



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
Anraj Gadia	Director
Ashok Khubchandani	Director
Alex Jacob	Director
Damodaran A	Director
Meghraj Lunawath	Director
Gautamchand Lunawath	Director
Mahaveer Lunawath	Director
Shivkumar Reddy	Director

SENIOR EXECUTIVES

Rashmi R.Parekh	Manager Accounts
Priti Venkatesan	Company Secretary
Narender Lunawath	Executive Director
Kamal Lunawath	Executive Director
Vimal Lunawath	Executive Director
Piyush Bhatt	Project Manager

BANKERS

Bank of Baroda
Vijaya Bank
Punjab & Sind Bank
Indian Overseas 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-600005.

REGISTERED OFFICE

"Ankur Manor", 1st Floor, Off McNicholes Road,
182, Poonamallee High Road,
Kilpauk, Chennai-600010.



Arihant
Foundations & Housing Ltd.

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