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(Late) Shri. Navratan Lunawath
Founder Chairman

We at "Arihant" polished the art of living by building on integrity;

We promise to achieve excellence in service, quality, reliability and customer care;

We look forward to work with vigour, dedication and innovation with total customer satisfaction as our ultimate goal and

to uphold the guiding principles of trust, integrity and transparency in all aspects of interactions and dealings..

CORPORATE STRUCTURE**BOARD OF DIRECTORS**

Kamal Lunawath	Managing Director
Vimal Lunawath	Whole time Director
Col. A L Jayabhanu	Whole time Director
A Damodaran	Director
Harisharanlal Trivedi	Director
G Dilip Surana	Director
Ravikant M Choudhary	Director
Bharat M Jain	Director

Priti Venkatesan Company Secretary

BANKERS

Bank Of India
 ICICI Bank Limited
 IDBI Bank Limited
 Indian Overseas Bank
 Kotak Mahindra Bank
 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- 600005

REGISTERED OFFICE

271 (Old 182), Poonamallee High Road
 "Ankur Manor", 1st Floor,
 Off. McNichols Road
 Kilpauk, Chennai- 600010.

CORPORATE OFFICE

3, Ganapathy Colony, 3rd St
 Off. Cenotaph Road,
 Teynampet
 Chennai- 600018

REGISTRAR AND SHARE TRANSFER AGENTS

M/s. Cameo Corporate Services Limited.,
 Vth Floor, Subramanian Building, No.1, Club House Road
 Anna Salai, Chennai- 600002.

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Dear Shareholders

We started the year under review with a robust demand scenario coupled with low interest rates and strong economic activity. Even while there were early signals of financial turmoil in the developed markets, the emerging markets including India continued to show robust growth and sentiment.

Since the beginning of calendar year 2008, the world has gone through unprecedented financial instability which started in the developed markets and spread wide and deep into the emerging markets with liquidity being sucked out of most of the markets and asset classes. Real Estate and the stock markets bore the maximum brunt of this global meltdown with financial institutions world over turning risk averse and de-leveraging their exposures to global asset classes. India was no exception and your company was also faced with the sudden change in sentiment. The Government put in a variety of measures to stimuli the inflationary trends which increased interest rates to very high levels. Poor sentiment coupled with high interest rates impacted the real estate market the most with most investors and end users deferring their investment plans.

Your company was also impacted adversely during the year under review. Your company quickly reviewed the situation and tweaked its business model to factor in the changed investor sentiment. The company decided to focus on budget and affordable housing segments and built out a plan to make changes to its existing projects and approach new projects with an intention to target the Rs.20 lakhs to Rs.35 lakhs apartment segments. Your company strongly believes that, in a developing economy like India with one of the largest and growing middle class, housing need would constantly grow at a healthy pace and developers with a clear focus to satisfy this demand would be uniquely positioned to grow at a reasonable pace.

A step in this direction was the launch of Arihant Amara, a 120 apartment project in Ponamallee, a middle class suburb in the outskirts of Chennai. Your company is happy to announce that this project received an overwhelming response and success. This response vindicated the company's view that there is a market for an affordable product with right specifications and quality. The company has already started working on similar projects across the city and intends to grow this segment over the next few years.

Your Company wishes to place on record its sincere thanks to Indian Overseas Bank, ICICI Bank Limited, IDBI Bank Limited, Bank of India, Kotak Mahindra Bank, Vijaya Bank, Chennai Metro Development Authority, Corporation of Chennai and related departments of Tamil Nadu for having supported us in all our efforts and endeavours to tide over the current demand slump. We believe that our 30+ year experience, knowledge of the local markets and customer behaviour and our focus on quality will help the company to build a long term sustainable growth model.

Thank you



Kamal Lunawath
Managing Director



NOTICE

Notice is hereby given that the 16th Annual General Meeting of the Shareholders of Arihant Foundations and Housing Limited will be held on Friday the 20th day of March, 2009 at "Arihant Escapade", Devaraj Nagar, 48 Okkium Thoraipakkam, Chennai - 600 097 at 10.00 A.M. to transact with or without modifications, as may be permissible the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited balance sheet as at 30th September, 2008 and Audited profit and loss account for the period from 01.10.2007 to 30.09.2008, together with the Directors' Report and the Auditors' Report.
2. To declare a dividend on equity shares.
3. To appoint a Director in place of Mr. Kamal Lunawath, who retires by rotation and being eligible, offer himself for re-appointment.
4. To appoint a Director in place of Mr. Vimal Lunawath, who retires by rotation and being eligible, offer himself for re-appointment.
5. To appoint a Director in place of Mr. A L Jayabhanu, who retires by rotation and being eligible, offer himself for re-appointment.
6. To Appoint Auditors and fix their remuneration to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting. The retiring Auditors M/s. B.P Jain & Co., being eligible, offer themselves for reappointment.

By Order of the Board
For Arihant Foundations & Housing Limited

Sd/-
(Priti Venkatesan)
Company Secretary

Place: Chennai
Date: 16.02.2009

Notes:

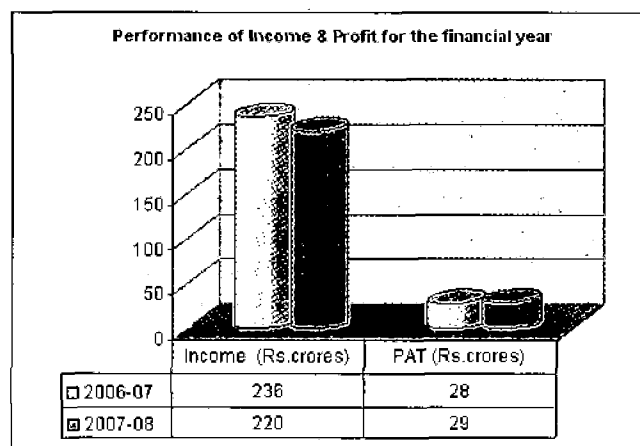
1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY SHOULD, HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Corporate members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of Board resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 13.03.2009 to 20.03.2009 (Both days inclusive).
4. The dividend on equity shares, if declared at the Meeting, will be payable to those shareholders, whose names appear on the Company's Register of Members at the close of business hours on 13.03.2009. In respect of shares held in dematerialized form, the dividend will be paid on the basis of particulars of beneficial ownership furnished by the Depositories as at the close of business hours on 13.03.2009.
5. Members are requested to notify immediately the changes in their address, if any.
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 at least 10 days before the date of 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.
9. Members, who hold shares in the dematerialized form, are requested to bring their depository account number for identification.

DIRECTORS' REPORT

Your Directors take pleasure in presenting the 16th Annual Report to the Shareholders together with the Audited Accounts for the year ended 30th September 2008.

FINANCIALS

PARTICULARS	2007-08 (Rs. in Lakhs)	2006-07 (Rs. in Lakhs)
Total Income	21977.75	23585.44
Total Expenditure	17836.64	20103.49
Profit before Interest and Depreciation	4141.11	3481.95
Interest	697.07	247.85
Depreciation	55.96	44.14
Profit before Tax	3388.08	3189.96
Provision for tax	461.59	360.00
Profit after Tax	2926.49	2829.96
APPROPRIATIONS		
Transfer to		
General reserve	292.65	283.00
Proposed Dividend (inclusive of dividend tax)	82.48	327.60
Balance profit carried forward	2551.36	2219.36

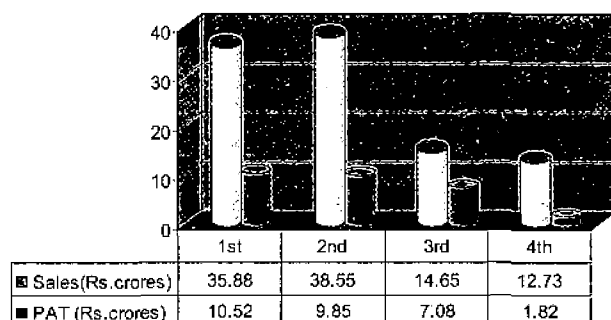


The Company's Income from Operation is Rs.220 crores during the financial year 2007-08 as against Rs.236 crores in the previous year 2006-07. The profit for the financial year was Rs.29 Crores compared to previous year profit of Rs.28 crores with an increase of 3.57%. The slow down of global economy had a greater impact on real estate sector, which had a considerable effect on the sales and profits of the Company, the performance of the Company for three quarters was good as shown in the abovementioned comparison chart and due to market recession, your Company able to make a profit of Rs.1.82 crores in the last quarter. However your directors are confident of making better profits for the financial year 2008-09.

A more detailed discussion and analysis on the performance of the Company in retrospect as well as the outlook is detailed in the Management Discussion and Analysis Report.

PERFORMANCE

Performance of Sales and Profits for four quarters



DIVIDEND

Your directors pleased to recommend dividend @ 10% i.e. Re.1.00 per equity share on 7050000 equity shares of Rs.10 each for the financial year ended 30th September 2008, which if approved at the ensuing Annual General Meeting, will be paid to:

- all those shareholders whose name appears in the Register of Members as on 13th March 2009 and;
- all those whose name appears on that date as beneficial owners as furnished by National Securities Depository Limited and Central Depository Services Limited.



Foundations & Housing Limited

DEPOSITS

The Company has outstanding fixed deposits of Rs.75,43,410/- as on 30.09.2008, which is 0.53 % of aggregate of paid up capital and free reserves of the Company.

PROJECTS

The Company recognises that conceiving, developing and implementing projects aimed at growth and meeting market requirements, in a cost effective and time bound manner, will always remain a key business policy of the Company. The Company's Project managers are guided by this policy and principle in the successful implementation and completion of various projects.

Project details:**ONGOING PROJECTS**

Project name	Location	Area (Sqft)
ARIHANT HEIRLOOM		
Residential Complex	Thazambur, Chennai	3,58,000
VILLA VIVIANA		
Township Project In association with J P Morgan India Property Fund	GST Road, Chennai	13,00,000
ARIHANT INSIGHT II		
IT Park	VSI Estate, Taramani Chennai	1,10,000

NEW PROJECT INITIATIVES

Project name	Location	Area (Sqft)
ARIHANT FRANGIPANI		
Residential Complex	Siruseri, TamilNadu	2,80,000
ARIHANT AMARA		
Residential Complex	Poonamallee High Road, Chennai	1,45,000

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN -EXCHANGE EARNINGS AND OUTGO.

The provisions of Section 217 (1) (e) of the Companies Act, 1956 are not applicable to the Company.

Conservation of Energy : Not applicable
Technology Absorption : Not applicable.

Foreign Exchange Earnings : Rs.16,77,477
Outgo : Rs.9,24,024/-

PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A)

Name of employee	Remuneration (Rs.)	Commission @ 3% of net profit (Rs.)	Total (Rs.)
Kamal Lunawath			
Managing Director	9,00,000.00	1,06,29,476.00	1,15,29,476.00

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 217 (2AA) of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with the proper explanations relating to the material departures;
- The Directors have 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 affairs of the company at the end of the financial year and of the profit or loss of the company for that period.
- Proper and sufficient care have been taken to maintain adequate accounting records in accordance with the provisions of this Act to safeguard the assets of the company and to prevent and detect fraud and other irregularities.
- The annual accounts have been prepared on a going concern basis.

DIRECTORS

In accordance with the relevant provisions of the Companies Act, 1956 and Article 101 of the Articles of Association of the Company, Mr. Kamal Lunawath, Mr. Vimal Lunawath & Mr. A.L Jayabhanu, Directors are liable to retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for

reappointment. The brief resume of directors, who are to be re-appointed as stipulated under clause 49(IV) of the Listing Agreement, are furnished in the Corporate Governance Report forming part of the Annual Report.

AUDITORS

M/s B.P Jain & Co., Chartered Accountants, Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting. The Company has received a letter from them to the effect that they offer themselves for reappointment and if appointed, it would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956.

INVESTOR RELATIONS

Your Company always endeavors to keep the time of response to shareholders' requests/ grievances at the minimum. Priority is accorded to address all the issues raised by the shareholders and provide them a suitable reply at the earliest possible time. The Shareholders' and Investors' Grievance Committee of the Board met periodically and reviewed the status of redressed investors grievances. The shares of your Company are continued to be traded in Electronic Form and the dematerialisation arrangement exists with both the depositories, viz., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on 30th September, 2008, 5216513 (Fifty two lakhs sixteen thousand five hundred and thirteen only) shares have been dematerialised, representing 74% of the subscribed capital.

LISTING

The shares of your Company are listed at Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Company has paid the listing fees for the Financial Year 2008-2009 to the Stock Exchanges where its securities are listed. The Company has made an application for voluntary delisting of its Securities to Madras Stock Exchange Ltd. after obtaining approval of the Shareholders at the 15th AGM held on 28.03.2008. The approval from Madras Stock Exchange Limited is awaited. The Company has also complied with the amendments in listing agreement from time to time.

TRANSFER OF UNPAID DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND.

Pursuant to the provision of Section 205A(5) of the Companies Act, 1956, any amount in the unpaid

dividend account not claimed for seven years from the date of transfer of unclaimed amount to the aforesaid account, the same shall be transferred to the Investor Education Protection Fund, which is constituted under Section 205C of the Companies Act 1956. Since the period of seven years expired, the Company in conformity with the aforesaid provision has transferred an unclaimed amount of Rs.53843/- (Rupees Fifty three thousand eight hundred and forty three only) related to Dividend for the financial year 1999-00 to Investor Education and Protection Fund.

Further the Company hereby informing all those shareholders to claim their dividends who have not yet claimed their dividends for the subsequent years.

PERSONNEL

The Board wishes to place on record its appreciation of all employees of the Company, for their wholehearted efforts and impressive contribution to the high level of performance and growth of the Company during the Year.

ACKNOWLEDGEMENTS

Your Directors acknowledge with appreciation the support and cooperation extended to the Company by CMDA, Corporation of Chennai, ELCOT. The Company is also thankful to Indian Overseas Bank, , ICICI Bank Limited, IDBI Bank Limited, Kotak Mahindra Bank, Vijaya Bank and Bank of India for their support and co operation.

For and on behalf of the Board of Directors
Arihant Foundations & Housing Limited

Sd/ (KAMAL LUNAWATH) Managing Director	Sd/ (VIMAL LUNAWATH) Director
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Place: Chennai
Date: 16.02.2009

ANNEXURE TO THE DIRECTOR'S REPORT

Board of Directors explanation for the observations made in the Auditor's Report pursuant to Provision of Sec. 217(3) of the Company's Act, 1956.

1. To point no. 3 (iv) The Company has not made provision in accordance to AS- 15, as it is being disallowed as per Income Tax Act, 1961.



Foundations & Housing Limited

REPORT ON CORPORATE GOVERNANCE**1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

The Company endeavor to achieve highest level of transparency, accountability towards its shareholders. The objective of the Company is to sustain growth in order to enhance the wealth of the shareholders, who are the real owners of the Company.

2. BOARD OF DIRECTORS**(I) COMPOSITION OF BOARD**

The Board of Directors of Arihant Foundations & Housing Limited consists of Eight Directors as on 30.09.2008.

The break up of the total composition of the Board as on 30.09.2008 is as follows:

Sl. No.	Name of the Directors	Designation	Executive/ Non- executive/ Independent
1.	Mr. Kamal Lunawath	Managing Director	Executive
2.	Mr. Vimal Lunawath	Whole time Director	Executive
3.	Sri. Col. A.L. Jayabhanu	Whole time Director	Executive
4.	Sri. Jagdish R Bhatt *	Whole time Director	Executive
5.	Sri. Alex Jacob **	Director	Non-Executive
6.	Sri. A. Damodaran	Director	Non-Executive & Independent
7.	Sri. Harisharanlal Trivedi	Director	Non-Executive & Independent
8.	Mr. Ravikant M Choudhary	Director	Non-Executive & Independent
9.	Mr. Dilip G Surana	Director	Non-Executive & Independent
10.	Mr. Bharat M Jain	Director	Non-Executive

* Mr. Jagdish R Bhatt, Whole time Director resigned from Board with effect from 26.09.2008.

** Mr. Alex Jacob, Director resigned from Board with effect from 26.09.2008.

The Company has complied with clause 49 (1A) of the Listing Agreement having maximum number of Non-Executive Directors with a maximum of fifty percentage.

(II) ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS AND THE LAST AGM AND DETAILS OF OTHER DIRECTORSHIPS AS ON 30.09.2008

Sl. No.	Name of the Directors	No. of Board Meetings Attended	Whether Attended last A.G.M	Other Directorships	Committee Memberships	Committee Chairmanships.
1.	Kamal Lunawath	14	Yes	12	1	-
2.	Vimal Lunawath	14	No	8	-	-
3.	Jagdish R Bhatt	07	Yes	-	-	-
4.	Col. A.L. Jayabhanu	15	Yes	1	-	-
5.	Alex Jacob	06	Yes	-	-	-
6.	Damodaran A	09	Yes	1	-	-
7.	Harisharanlal Trivedi	06	No	-	1	-
8.	Dilip Surana	07	No	1	1	1
9.	Ravikant M Choudhary	07	Yes	5	2	1
10.	Bharat M Jain	15	Yes	3	-	-

Note: The position of membership and chairmanship held in the Committees by the Directors of the Company as mentioned above is only in "Arihant Foundations & Housing Limited" and the other directorship of the Directors as mentioned above do not include Alternate Directorships and Directorships of Foreign Companies and Section 25 Companies.