

C O R P O R A T E S T R U C T U R E

CORPORATE STRUCTURE

BOARD OF DIRECTORS

Mr. Kamal Lunawath	Chairman and Managing Director
Mr. Vimal Lunawath	Whole time Director
Mr. Col. A.L Jayabhanu	Whole time Director
Mr. Bharat M Jain	Whole time Director
Mr. A Damodaran	Director
Mr. Ravikant Choudhary	Director
Mr. Harisharanlal Trivedi	Director
Mr. Karan Bhasin	Director

Mr. Kishore Kumar Sahoo Company Secretary

BANKERS / FI's

Allahabad Bank
HDFC Bank Limited
HDFC Limited
ICICI Bank Ltd
ICICI Home Finance Company Limited
Reliance Home Finance Private Limited
Religare Finvest Limited
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
141, Luz Church Road,
Mylapore, Chennai- 600004

REGISTERED OFFICE

271, (Old no.182), Poonamallee High Road
"Ankur Manor", 1st Floor, Off. McNichols Road
Kilpauk, Chennai- 600018

CORPORATE OFFICE

No.3, Ganapathy Colony
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,

India has emerged as an important market to do business more so in the service sector. Its favourable demographics and strong local economy made the country an attractive place for property investors. The demand for property is determined chiefly by business development and demographic trends.

The real estate sector in India assumed greater prominence with the liberalisation of the economy, as the consequent increase in business opportunities and labour migration led to rising demand for commercial and housing space. At present, the real estate and construction sectors are playing a crucial role in the overall development of India's core infrastructure. The real estate industry's growth is also linked to developments in the retail, hospitality and entertainment (hotels, resorts, cinema theatres) industries, economic services (hospitals, schools) and information technology (IT)- enabled services etc and vice versa.

As the economy shows signs of decreasing GDP growth rate, the Indian real estate industry faces its own share of concerns. Real estate developers are reeling under high debt and FDI inflows have also slowed down.

Amidst these macro-economic conditions, Indian real estate asset classes across the prime cities of India have seen mixed sentiments, but the demand for office and retail space leasing remained healthy in most of the cities. Because of the prevailing uncertainties on the global market and the likelihood of further interest rate hikes by the RBI in the early part of 2012, sentiments on the residential market will remain cautious over the short term.

During the year under review, your Company has made an average performance in terms of Sales and Profits. Many of its projects which are large residential complexes and Township are under Joint Venture and are progressing well. Your Company will earn good profits from these projects in the year to come. Few more projects under the category of budgeted housing, plots have been identified by your company which will be launched shortly.

Your Company's litigation with HUDCO have been settled during the year by Debt Recovery Tribunal. Upon receipt of the order of DRT, your Company has paid the total principal amount to HUDCO instantly. However with respect to interest payment, HUDCO has preferred an appeal to Debt Recovery Appellate Tribunal (DRAT) against the order of DRT for higher interest. Your Company has made an appeal to DRAT for reduction of interest. The case is pending before DRAT for hearing. Once DRAT decides on the appeal, the Company will pay the interest decided by DRAT.

We at Arihant, believe in building integrity by providing qualitative service and maintaining healthy and cordial relationship with our Customers and Investors.

Your Directors wishes to place on record its sincere thanks to Bankers, Financial Institutions, Chennai Metropolitan Development Authority and Corporation of Chennai and related departments of Govt. of Tamil Nadu for having supported us on all our efforts and endeavours and all those who work for or are associated with Arihant.

Thank You



(Kamal Lunawath)
Managing Director

NOTICE

Notice is hereby given that the 19th Annual General Meeting of the Shareholders of Arihant Foundations and Housing Limited will be held on Friday the 30th day of March, 2012 at "Arihant Amara", Old No.60, New No. 49, Poonamallee High Road, Goparasanallur Village, Poonamallee Taluk, Chennai - 600 056 at 9.30 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, 2011 and Audited profit and loss account for the period from 01.10.2010 to 30.09.2011, 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. Vimal Lunawath, who retires by rotation and being eligible, offer himself for re-appointment.
4. To appoint a Director in place of Mr. Bharat Jain, who retires by rotation and being eligible, offer himself for re-appointment.
5. 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.

SPECIAL BUSINESS

6. To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution.

"RESOLVED THAT In accordance with the provision of section 257 and all other applicable provisions, if any of the Companies Act, 1956 or any statutory modification(s) or re enactment thereof, Mr. Karan Bhasin, who was appointed as an additional director of the Company pursuant to Section 260 of the Companies Act, 1956 and whose appointment determines on the date of the present Annual General Meeting be and is hereby appointed as a Director of the Company subject to retirement by rotation under the provisions of Articles of Association of the Company.

By Order of the Board
For Arihant Foundations & Housing Limited

sd/-
(Kishore Kumar Sahoo)
Company Secretary

Place: Chennai
Date: 13.02.2012

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 23.03.2012 to 30.03.2012 (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 22.03.2012. 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 22.03.2012.
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.

10. Members who have not claimed their dividend for the financial year 2004-05 to 2008-09 requested to write to the Company for the same. Details of the unclaimed dividend for the respective financial years given in the Director's Report.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No.6

Pursuant to the provision of section 260 of the Companies Act, 1956 and the provision of Articles of Association of the Company, the Board of Directors of the Company at its meeting held on 1st February, 2012 has appointed Mr. Karan Bhasin as an additional director of the Company to act as an Independent Director of the Company.

In terms of provision of Section 260 of the Companies Act, 1956, Mr. Karan Bhasin would hold office up to the date of this Annual General Meeting.

The Company has received a notice in writing from a member along with a deposit of fees of Rs.500/- proposing the candidature of Mr. Karan Bhasin for the office of Director of the Company under the provisions of Section 257 of the Companies Act, 1956.

None of the Directors except Mr. Karan Bhasin, being the appointee, is deemed to be concerned or interested in the resolution set out at item no. 6 of the notice.

Your Directors commend the Resolution for your approval as an Ordinary Resolution.

By Order of the Board
For Arihant Foundations & Housing Limited

Sd/-
(Kishore Kumar Sahoo)
Company Secretary

Place: Chennai
Date: 13.02.2012

DIRECTORS' REPORT

Your Directors take pleasure in presenting the 19th Annual Report to the Shareholders together with the Audited Accounts for the year ended 30th September, 2011.

FINANCIALS

(Rs.in Lakhs)

PARTICULARS	2010-11	2009-10
Income	13461.43	14505.01
Expenditure	12320.65	13223.78
Profit before Interest and Depreciation	1140.78	1281.23
Interest	747.63	908.89
Depreciation	53.92	56.72
Profit before Tax	339.23	315.62
Provision for tax	87.68	105.56
Profit after Tax	251.55	210.06
Previous year provision for dividend added back	74.80	
APPROPRIATIONS		
Proposed Dividend	86.00	74.80
Payment of Dividend for Previous year		4.30
Balance profit carried forward	240.35	130.96

PERFORMANCE

The Company's total Income is Rs.135 crores during the financial year 2010-11 as against Rs.145 crores in the previous year 2009-10. The Profit after tax (PAT) for the financial year is Rs.2.52 crores compared to previous year profit of Rs.2.10 crores. On consolidated basis, the total income of your Company and its subsidiaries and Joint venture stands at Rs.201.74 crores and consolidated profit after tax (PAT) stood at Rs. 0.90 crores. The earnings per Share (EPS) basic and diluted stands at Rs.2.93 considering the total equity capital of Rs.8.60 crores (86,00,000 equity shares of Rs.10/- each) as on 30th September, 2011. Sales has come down during the year. With stringent market condition, competition and the strict funding from Banks and Financial Institutions, your Company has made a profit of Rs.2.52 crores during the financial year.

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.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report as required under clause 49 of the Listing Agreement with the Stock Exchanges is presented in a separate section forming part of the Annual Report.

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)
Villa Viviana Township Project In association with J P Morgan India Property Fund	GST Road, Chennai	13,00,000
ARIHANT AMARA Residential Complex	Poonamallee High Road, Chennai	1,45,000
NORTH TOWN ESTATES Township Project In association with PVP Ventures Ltd and Unitech Ltd.	Perambur, Chennai	21,26,880
ARIHANT - FRANGIPANI Residential Complex	Pudupakkam, Chennai	2,80,000
ARIHANT - PANACHE	Arumbakkam, Chennai	1,05,400
ARIHANT - Jashn (Mixed development)	Egmore Chennai	36,831
Green Wood Plotted development	Thazambur Chennai	39.665 Acres

DIVIDEND

Your directors pleased to recommend final dividend for the financial year ended 30th September, 2011 @ 10% i.e. Rs.1.00 per equity share on the paid-up equity shares of Rs.10 each for the financial year ended 30th September 2011, 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 22nd March 2012 and;
- all those whose name appears on that date as beneficial owners as furnished by National Securities Depository Limited and Central Depository Services Limited.

DEPOSITS

The Company has outstanding fixed deposits of Rs.1,40,28,560 as on 30.09.2011, which is 0.87 % of aggregate of paid up capital and free reserves of the Company.

SUBSIDIARY COMPANIES AND IT'S ACCOUNTS

There are four subsidiaries of your Company as on 30th September, 2011. The financial details of the Subsidiary Companies as well as the extent of holdings therein are provided in a separate section of the Annual Report pursuant to Section 212 of the Companies Act, 1956. Ministry of Corporate Affairs vide its general circular no.2/2011 dated 8th February, 2011 has issued a direction under Section 212(8) of the Companies Act, 1956 granting general exemption with respect to the provision of section 212 of the Companies Act, 1956. With the consent of the Board and following the aforesaid direction, the annual accounts and other details of Subsidiary Companies are not attached. However these documents will be made available upon request by any member of the Company interested in obtaining the same.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard AS-21 on consolidated financial statements read with Accounting Standard AS-27 on financial reporting of interest in Joint Venture, auditors report on the consolidated financial statements, audited consolidated Balance Sheet, Profit and Loss account and Cash flow statements are provided in the Annual Report.

CHANGES IN CAPITAL STRUCTURE

Issued and Paid up Share Capital:

On 3rd February, 2011, your Company allotted 11,20,000 fully paid-up equity shares of Rs.10/- each to "Persons forming part of Promoter Group." and a body corporate upon conversion of remaining 11,20,000 convertible equity warrants (out of total 1550000 convertible equity warrants originally allotted on 05.08.2009 to persons forming part of Promoter Group and Body Corporate) on a preferential basis at a total exercise price of Rs.89/- (including premium of Rs.79/-) in terms of Chapter VII of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009. The issued and paid-up capital of the Company enhanced from Rs.74,80,000 equity shares of Rs.10/- each to 86,00,000 equity shares of Rs.10/- each.

REPORT ON CORPORATE GOVERNANCE

Your Company ensures good corporate governance by implementing and complying with the policies, standards set out by Securities and Exchange Board of India and other regulatory authorities. The requisite certificate issued by M/s. B.P Jain & Co., Chartered Accountants confirming compliance with the conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement, is attached to this Report.

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

The necessary details are furnished in Notes to Accounts, point no.10.

PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A)

During the period under review, no employee was in receipt of remuneration in excess of the limits laid down in Subsection (2A) of Section 217 of the Companies Act, 1956.

DIRECTORS

In accordance with the relevant provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Vimal Lunawath and Mr. Bharat Jain, 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.

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:

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed along with the proper explanations relating to the material departures;
- ii. 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.
- iii. 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.
- iv. The annual accounts have been prepared on a going concern basis.

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 to review the redressal of 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, 2011, 6599420 (Sixty five lakhs Ninety nine thousands Four hundred and twenty only) shares have been dematerialised, representing 76.74% of the subscribed capital.

LISTING

The shares of your Company are listed in Madras Stock Exchange Limited, Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Company has paid the listing fees for the Financial Year 2011-2012 to the Stock Exchanges where its securities are listed. During the year, 11,20,000 equity shares allotted upon conversion of 11,20,000 convertible warrants. These shares were listed at NSE on 13.04.2011 and BSE on 19.07.2011 respectively. The listed capital of the Company with BSE and NSE is 86,00,000 fully paid-up equity shares of Rs.10/- each. The Company had made a request to Madras Stock Exchange Ltd for delisting its entire securities (70,00,000 equity shares of Rs.10/- each) voluntarily after obtaining the approval of shareholders at the 15th Annual General Meeting of the Company held on 28.03.2008. Delisting approval from MSE is awaited. The Company has also complied with the amendments in listing agreement from time to time.

TRANSFER OF UNPAID DIVIDEND TO IEPF (INVESTOR EDUCATION AND PROTECTION FUND)

Pursuant to the provision of Section 205A (5) of the Companies Act, 1956, the amount transferred to the unpaid dividend account which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred to the Investor Education Protection Fund established under Sub-section (1) of Section 205C of the Companies Act, 1956.

Unclaimed dividend amount of Rs.60,760/- relating to final dividend for the financial year end 30th September, 2003 was transferred to Investor Education and Protection Fund on 08.11.2011.

Details of unclaimed Dividend:

Financial Year	Date of Declaration of dividend	Unpaid Dividend as on 30.09.10 amount.(Rs.)	Due date for transfer to IEPF.
2004-05	24-03-2006	8,453.20	22-04-2013
2005-06	23-03-2007	90,856.00	21-04-2014
2006-07	28-03-2008	1,93,944.00	26-04-2015
2007-08	20-03-2009	65,057.00	18-04-2016
2008-09	26-03-2010	1,44,331.00	24-04-2017

The Shareholders are requested to claim their unclaimed dividends before the aforementioned due dates. The unpaid dividend transferred to IEPF, cannot be claimed by the Shareholders.

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 place on record their gratitude for the support and co-operation received from CMDA, Corporation of Chennai, ELCOT, Banks and Financial Institutions, Customers, Suppliers and Shareholders and for their continued support. The Board also wish to place its sincere appreciation to the dedicated and committed team of employees.

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

sd/-
(KAMAL LUNAWATH)
Managing Director

sd/-
(VIMAL LUNAWATH)
Director

Place: Chennai
Date: 29.11.2011

ANNEXURE TO DIRECTOR'S REPORT

Board of Directors explanation for the observations made in the auditors report pursuant to provision of section 217(3) of the Companies Act, 1956.

4 (iv) The Company has not accrued interest for the period amounting to Rs. 1,39,36,936 and total accumulated interest for the period 01.07.2004 to 30.09.2011 to the tune of Rs.10,10,71,423.40 payable to HUDCO as per the order of Debt Recovery Tribunal (DRT) dated 08.08.2011.

With respect to the aforementioned comment, management is of the view that upon receipt of the order of DRT, the Company has paid outstanding Principal amount of Rs.15,48,54,845/- on 29.08.2011. HUDCO has preferred an appeal to DRAT (Debt Recovery Appellate Tribunal) against the order of DRT for higher interest. The Company has also filed an appeal to DRAT for lower interest. As the order is under dispute, the company has accrued interest only to the extent of Rs. 2,61,07,364/- and not for the entire period of 7 years.

IX). The provident fund amount will be remitted during the month April 2012.

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 Seven Directors as on 30.09.2011.

The break up of the total composition of the Board as on 30.09.2011 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.	Mr. Bharat M Jain	Director	Executive
5.	Sri. A. Damodaran	Director	Non-Executive & Independent
6	Sri. Harisharanlal Trivedi	Director	Non-Executive & Independent
7.	Mr.Ravikant M Choudhary	Director	Non-Executive & Independent
8.	Mr. A. Subramanian**	Director	Non-Executive & Independent

* Represents Promoter Group;

** Appointed on 01.10.2010 and resigned from Directorship w.e.f 08.08.2011.

On 08.08.2011, Mr. A Subramanian, Independent Director resigned from the Board by which total no. of Directors reduced from 8 Directors to 7 Directors, out of which executive directors are four (4) and non executive and Independent Directors are Three (3). Since the Chairman is executive ½ of the Board required to be independent in compliance of Clause - 49 (1A) of the listing agreement. The said vacancy of one Independent Director will be filled up within 180 days from the date of the aforesaid resignation.

(II) ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS AND THE LAST AGM AND DETAILS OF OTHER DIRECTORSHIPS AS ON 30.09.2011

Sl. No.	Name of the Directors	No. of Directorship held in other Public Limited Companies	No. of Membership / Chairmanship of Board, Committee of other Public Limited Companies	No. of Board Meetings Attended	Whether Attended last A.G.M
1.	Kamal Lunawath	5	3	11	Yes
2.	Vimal Lunawath	5	1	11	Yes
3.	Col. A.L Jayabhanu	-	-	11	Yes
4.	A .Damodaran	1	-	11	Yes
5.	Bharat M Jain	-	-	11	No
6.	Harisharanlal Trivedi	-	-	4	No
7.	Ravikant M Choudhary	2	4	10	No
8.	A. Subramanian	-	-	5	No

(III) NUMBER OF BOARD MEETINGS HELD, DATES ON WHICH HELD

During the Financial Year 2010 to 2011 (from 01.10.2010 to 30.09.2011) 11 (eleven) Board meetings were held on 1.10.2010, 29.10.2010, 29.11.2010, 03.02.2011, 12.02.2011, 02.04.2011, 14.05.2011, 06.06.2011, 01.07.2011, 08.08.2011 and 29.09.2011.

3. AUDIT COMMITTEE

(I) Composition, name of members and Chairman:
The Committee reconstituted on 01.10.2010 with the appointment of Mr. A Subramanian as an Independent Director and resignation of Mr. Harisharanlal Trivedi from membership of Audit Committee w.e.f 01.10.2010.

Mr. A Subramanian, Chairman of Committee
Mr. A Damodaran, Member of Committee
Mr. Ravikant Choudhary, Member of Committee

The Committee further reconstituted on 08.08.2011 due to resignation of Mr. A Subramanian from the Directorship and also from the Audit Committee w.e.f 08.08.2011.

Mr. Ravikant Choudhary, Chairman of the Committee
Mr. A Damodaran, Member of the Committee
Mr. Kamal Lunawath, Managing Director, Member of the Committee

II) No. of meetings and attendance:
There were five meetings held during the year 2010-11 (from 01.10.2010 to 30.09.2011) on 29.11.2010, 03.02.2011, 12.02.2011, 14.05.2011 and 08.08.2011. All five meetings were attended by the members except Mr. A Subramanian, who have attended four meetings.

(III) Brief description of terms of reference:

The Committee's terms of reference, authority and powers are in conformity with the requirement of the Companies Act, 1956 and the Listing Agreement.

4. REMUNERATION COMMITTEE

The Company has constituted a Remuneration Committee on 28.01.2010 comprising of Mr. A. Damodaran, Independent Director, Mr. Ravikant Choudhary, Independent Director and Mr. Harisharanlal Trivedi, Independent Director under the Chairmanship of Mr. A Damodaran.

The Committee is formed in accordance with Section II A, Part II of Schedule XIII to the Companies Act, 1956 to approve the remuneration to managerial personnel in the event of inadequacy of Profit.

One meeting held during the financial year 2010-11 (01.10.2010 to 30.09.2011) on 29.11.2010. All the members of the Committee have attended the meeting.

Remuneration paid/ payable to the Directors and the shareholding of Non – executive Directors in the Company.

- Details of remuneration paid/ payable to the Executive Directors (Managing/ Whole-time Directors) of the Company during the year 2010-11.

Name of the Directors	Salaries and Allowances	Other Benefits.
Mr. Kamal Lunawath Managing Director	Rs.75,000/- per month. + 3% commission	Company Car
Mr. Vimal Lunawath Whole time Director	Rs.75000/- per month.	Company Car
Col. A.L Jayabhanu Whole time Director	Rs.75,000/- per month.	Company Car
Mr. Bharat Jain Whole time Director	Rs.1,00,000/- per month	Company Car

- Details of remuneration paid/payable to the Non- Executive and Independent Directors during the financial year 2010-11 and their shareholding as on 30.09.2011:

Name of the Director	Remuneration /Sitting fees paid (Rs.)	No. of equity shares of Rs.10/- each held
Mr. Ravikant Choudhary	28000	5011
Mr. A Damodaran	22000	--
Mr. A Subramanaian*	10000	--
Mr. Harisharanlal Trivedi	8000	--

No remuneration was paid to Non – executive and Independent Directors except sitting fees.

* Mr. A Subramanian resigned with effect from 08.08.2011.

Notes:

- There are no stock options and severance fees.
- No Notice period is specified for Directors resignation/ termination.

5. SHARE TRANSFER AND SHAREHOLDER'S / INVESTOR'S GRIEVANCE COMMITTEE:

The Committee reconstituted w. e. f 01.10.2010 due to resignation of Mr. Harisharanlal Trivedi, member of the Committee. The present committee consists of 2 members viz., Mr. Ravikant Choudhary, Independent Director Mr. Kamal Lunawath, Managing Director. The Chairman of the Committee is Mr. Ravikant Choudhary.

During the financial year (01.10.2010 to 30.09.2011), 5 (Five) meetings of Share transfer and Shareholders/Investors Grievance Committee were held on 15.12.2010, 03.02.2011, 28.02.2011, 31.03.2011 and 30.06.2011. All five meetings were attended by all members.

- Mr. Kishore Kumar Sahoo, Company Secretary is the Compliance Officer.
- No. of shareholders' complaints received during the period 01-10-2010 to 30-09-2011 1
- No. of complaints not solved to the satisfaction of the Shareholders ---
- No. of pending complaints as on 30.09.2011 ---

66. GENERAL BODY MEETINGS

a) Location and time where last three Annual General Meeting (AGMs) were held:

A.G.M Venue	Date	Time
16th AGM Arihant Escapade Devaraj Nagar 48, Okkium Thoraipakkam Chennai – 600097	20.03.2009	10.00 A.M
17th AGM Arihant Escapade Devaraj Nagar 48, Okkium Thoraipakkam Chennai – 600097.	26.03.2010	10.00 A.M
18th AGM Arihant Escapade Devaraj Nagar 48, Okkium Thoraipakkam Chennai- 600097	31.03.2011	9.30 A.M

b) Whether any special resolutions passed in the last AGM:
No

c) Whether any special resolutions passed last year through postal ballot: No

d) No resolution was passed by postal ballot during last three financial year and nor any resolution is proposed to be conducted through postal ballot.

SUBSIDIARY COMPANIES

The Company does not have any material non-listed Indian Subsidiary Company and hence it is not required to have an Independent Director of the Company on the Board of such Subsidiary Company. However the Company has four non listed Indian Subsidiary Company and compliance required under clause 49 (III) of the Listing Agreement has been duly complied with.

7. DISCLOSURES

a) There are related party transactions i.e. transactions of the Company with its Key Management Personnel and their relatives, Subsidiary Companies, Partnership Firms, Joint Venture and Associates.

b) The related party transactions are entered into based on consideration of various business exigencies such as legal requirement, synergy in operation and capital resources of subsidiaries and associates. All related party transactions are intended to further the business interest of the Company.

c) There were no instances of material non compliance and no penalties or strictures on the Company imposed by Stock Exchanges, SEBI or statutory authorities on any matter related to Capital Market during last three years / period.

d) Pursuant to requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended, the Company has adopted a 'Code of Conduct' for 'prevention of Insider Trading' (The Code). The code is applicable to all Directors and such designated employees who are expected to have access to unpublished price sensitive information relating to the Company.

Mr. Kishore Kumar Sahoo, Company Secretary has been appointed as the Compliance Officer for monitoring adherence to the Regulations.

e) The Company has complied with all the mandatory aspects of Corporate Governance and compliance of non mandatory requirements given as an annexure to this Report and Marked as Annexure- 3.

8. MEANS OF COMMUNICATION

a) The Board of Directors of the Company takes on record the un-audited financial Results in the prescribed form within 45 (forty five) days of the close of every quarter, audited financial result within 60 days from the end of the financial year and announces the results to all the Listed Stock Exchanges soon after their approval in conformity with the Clause 49 of the Listing Agreement.

b) The quarterly unaudited and yearly audited financial results are also published in the news papers and details and date of publications are as under:

Quarter/ Year Ended	Name of English daily and date of publication	Name of Regional daily and date of publication
30.09.2010	Business Standard 1.12.2010	Maalai Sudar (TAMIL) 30.11.2010
31.12.2010	Business Standard 15.02.2011	Maalai Sudar (TAMIL) 14.02.2011
31.03.2011	Business Standard 17.05.2011	Maalai Sudar (TAMIL) 16.05.2011
30.06.2011	Business Standard 10.08.2011	Maalai Sudar (TAMIL) 09.08.2011

c) The Quarterly un-audited financial results and audited Annual results are also posted on the Company's web site at: www.arihantfoundations.com, investors section.

d) No presentation is made to institutional investors or to the analyst.

Management Discussion and Analysis Report forms part of the Annual report for year 2010-11, given as an Annexure 2 to the Director's Report 2010-11.

9. GENERAL SHAREHOLDER INFORMATION

i. Number of Annual General Meeting 19th Annual General Meeting

Date & Time 30.03.2012, 9.30 a.m

Venue "Arihant Amara",
Old No.60, New No. 49,
Poonamallee High Road,
Goparasanallur Village,
Poonamallee Taluk,
Chennai - 600 056

ii. The particulars of Directors as required under Clause 49 IV (G) (i) of the Listing Agreement are as under:

Name of Director	Date of Birth	Date of Appointment	Experience in specific functional areas	Qualifications	List of other Public Limited Companies in which Directorship held as on 30.09.2011	Chairman/ member of the Committee of Board of other Public Limited Companies on which he was a Director as on 30.09.2011	Shares held
Mr. Vimal Lunawath	29.03.1974	04.11.2005	Strategic Planning. Execution of Residential Projects	Commerce Graduate	Arihant Girha Ltd. Arihant Unitech Realty Projects Ltd. Transperent Heights Real Estate Ltd Varenva Constructions Ltd. Vaikunt Housing Ltd	Nil	696400
Mr. Bharat Jain	11.07.1976	30.12. 2005	Strategic planning, Execution of Township Projects	Commerce Graduate	Nil	Nil	11700

iii. Financial Calendar : October to September

iv. Book Closure date : 23.03.2012 to 30.03.2012
(both the days inclusive)

v. Listing on Stock Exchanges : The Madras Stock Exchange Ltd
"Exchange Building"
11, Second Line Beach, Chennai-1
www.madrasstockexchange.in

Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai-400001
Website:- www.bseindia.com

National Stock exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (E), Mumbai- 400051
Website: www.nseindia.com

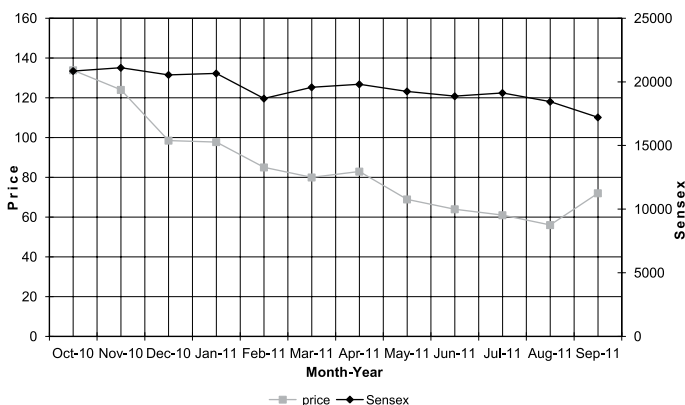
vi. Stock code/ Symbol : 531381
Bombay Stock Exchange Limited : Arihant Found
Madras Stock Exchange Limited : AFD
National Stock Exchange of India Ltd : ARIHANT

ISIN for dematerialised shares : INE413D01011

vii. Market price data – High/Low during each month of the financial year 2010-11 (from 01.10.2010 to 30.09.2011) and performance in comparison to Broad based BSE SENSEX index during the said financial year as downloaded from BSE website:

Month	Bombay Stock Exchange Ltd		BSE Sensex	
	High	Low	High	Low
October 2010	133.85	113.00	20854.55	19768.96
November 2010	124.00	87.05	21108.64	18954.82
December 2010	98.50	72.00	20552.03	19074.57
January 2011	97.75	76.60	20664.80	18038.48
February 2011	85.00	61.55	18690.97	17295.62
March 2011	79.95	59.00	19575.16	17792.17
April 2011	82.90	63.00	19811.14	18976.19
May 2011	68.90	55.50	19253.87	17786.13
June 2011	63.95	48.25	18873.39	17314.38
July 2011	60.95	54.25	19131.70	18131.86
August 2011	56.00	39.00	18440.07	15765.53
September 2011	72.00	37.25	17211.80	15801.01

Stock Performance of the Company in comparison with BSE SENSEX for the Financial Year 2010-11:

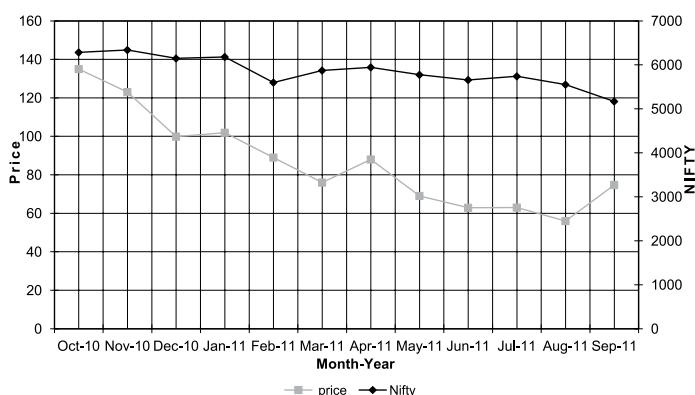


viii Market price data – High/Low during each month of the financial year 2010-11 (from 01.10.2010 to 30.09.2011) and performance in comparison to NSE Nifty index during the said financial year downloaded From NSE website:

Month	National Stock Exchange of India Ltd		NSE Nifty Index	
	High	Low	High	Low
October 2010	135	110.30	6284.10	5937.10
November 2010	123	85	6338.50	5754.70
December 2010	99.90	78.05	6147.30	5721.15
January 2011	101.90	74.40	6181.05	5416.65
February 2011	89	59.05	5599.25	5177.70
March 2011	76	55.50	5872.00	5348.20

Month	National Stock Exchange of India Ltd		NSE Nifty Index	
	High	Low	High	Low
April 2011	88	62.95	5944.45	5693.25
May 2011	69.05	52.55	5775.25	5328.70
June 2011	62.9	53.10	5657.90	5195.90
July 2011	63	54	5740.40	5453.95
August 2011	56	46.5	5551.90	4720.00
September 2011	74.75	47.60	5169.25	4758.85

Stock Performance of the Company in comparison with NSE Nifty for the Financial Year 2010-11:



ix. Registrar and Share transfer Agent :-

Cameo Corporate Services Limited.
Subramanian Building, No.1 Club House Road,
Anna Salai, Chennai-2.
Ph: 28460390.

M/s. Cameo Corporate Services Limited., Registrar and Share Transfer Agent, processes the share registry work in terms of both physical and electronic (Dematerialisation of shares). Accordingly, the shareholders are required to approach M/s. Cameo Corporate Services Limited for all work relating to the Company's shares including transfer and transmission of shares, issue of duplicate share certificates, splitting, consolidation and replacement of share certificates as well as for dematerialization of shares held in the Company. The shareholders are also requested to send all correspondence relating to Company's shares to M/s. Cameo Corporate Services Limited.

X. Share Transfer System

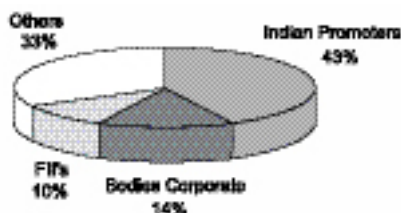
All valid transfer deeds received from the shareholders/ investors are registered with the approval of the share transfer and Shareholders/Investors Grievance Committee constituted by the Board of Directors of the Company and the share certificates after endorsement are generally returned by registered post within 30 days from date of lodgment of transfer deeds. The deficient transfer documents are returned to the sender with objection memos for making good the shortcomings.

xi . Distribution of Shareholding as on 30.9.2011

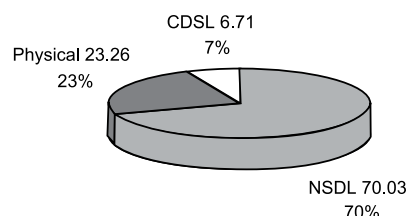
Range of Shares	No. of Share holders	%	No. of Shares	%
1 to 500	1727	83.07	179423	2.09
501 to 1000	82	3.94	66066	0.77
1001 to 2000	80	3.85	123045	1.43
2001 to 3000	45	2.16	115812	1.35
3001 to 4000	19	0.91	68551	0.80
4001 to 5000	24	1.15	115682	1.34
5001 to 10000	38	1.83	317376	3.69
10001 and above	64	3.08	7614045	88.53
Total	2079	100	8600000	100

xii. Shareholding pattern as on 30.9.2011.

Sl. No.	Category	No. of Shares	% of Paid up Capital
1.	Indian Promoter's (including Person acting in concert).	36,76,700	42.75
2.	Bodies Corporate	12,44,233	14.47
3.	FII's	8,75,206	10.18
4.	Others	28,03,861	32.60
	TOTAL	86,00,000	100.00

**xiii. Dematerialisation of Shares and liquidity.**

The dematerialisation facility exists with both the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the convenience of shareholders. As on 30.09.2011, 65,99,420 shares have been dematerialised, representing 76.24% of the Subscribed capital. The Company's shares are actively traded shares on BSE & NSE.

Demat / Physical status of Shares (% to paid up capital) as on 30.09.2011**Reconciliation of Share Capital Audit Report**

As stipulated by the Securities and Exchange Board of India, a qualified Practicing Company Secretary carries out the share capital audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges and is also placed before the Board of Directors. The audit, inter alia, confirms that the total 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, CDSL and total number of shares in physical form.

xiv. Outstanding GDR s / ADR s/ warrants or any convertible instruments, conversion date and likely impact on equity.

Nil

xv. Plant Locations.

Since the nature of business of the Company is construction. The Company has site and projects at various places in urban and sub-urban areas.

xvi. Address for correspondence

For matters relating to Company's shares:

Cameo Corporate Services Limited.
Subramanian Building, No.1 Club House Road,
Anna Salai, Chennai-2.
Ph: 28460390.

For other matters:

Registered office:

271 (Old 182), Poonamallee High Road,
"Ankur Manor" 1st Floor,
Off. McNichols Road, Kilpauk, Chennai-10.
Website:- www.arihantfoundations.com

Corporate Office:

New No.3 (Old No.25), Ganapathy Colony,
3rd Street, Off. Cenotaph Road,
Teynampet, Chennai- 600018
Email: investors@arihants.co.in

CODE OF CONDUCT

Effective from 31st December, 2005, the Company adopted formal code of conduct. The same has been posted on Company's website at www.arihantfoundations.com. The members of the Board and senior management of the Company have submitted their affirmation to the compliance with the code of conduct for the effective period. The declaration by the Managing Director to that effect forms part of this report.

CEO/ CFO CERTIFICATION

As required by Clause 49 of the listing agreement, the Certificate duly signed by Mr. Kamal Lunawath., Managing Director and Mr. V Ragavan, Manager- Finance was placed before the Board of Directors at its meeting held on 29th November, 2011.

ANNEXURE- 1

DECLARATION UNDER CLAUSE 49(I)(D) OF THE LISTING AGREEMENT FOR COMPLIANCE WITH THE CODE OF CONDUCT

In accordance with Clause 49 sub clause (I) (D) of the listing agreement with Stock Exchanges, I hereby confirm that myself and other members of the Board of Directors and senior management personnel of the Company have affirmed compliance of the code of conduct.

For Arihant Foundations & Housing Limited
Sd/-
Kamal Lunawath
Managing Director

Date: 29.11.2011

Place: Chennai

ANNEXURE - 2

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure & Development

Despite strong fundamentals backing the residential real estate, the segment is highly influenced by economic cycles. Owing to global meltdown, the residential real estate market in India too witnessed an astounding fall in demand and capital values. However, the sector experienced a pickup in demand across major cities mainly attributed to improvement in economy. Residential projects across cities saw several new mid-income housing projects being launched by developers to attract potential buyers.

Demand for houses mounted as the global economy improved bringing back financial confidence to the home buyers along with low interest rates. End-users, who had put their purchasing plans on hold due to the fall in affordability levels and job-related uncertainties, started booking houses. Improvement in demand also brought back the construction activity to back on track.

Opportunities

The interest shown in the country by IT and retail companies will help increase property values in city-centers. Increased competition between these companies in tier II and tier III cities in India could also aid growth in demand for high quality property. During the year the demand for budgeted housing covering mid- income group was enormous. In order to cater this opportunity your Company has focused more pertinently on budgeted housing segment and also expecting ample opportunities in the coming years.

Threats

The unstable market in the US and eurozone could cause international investors to reduce their activities in order to save capital. However, it is also possible these fears may drive investors into the Indian market.

Raw material costs are high and increasing, which could slow construction and cause developers to reduce the number of projects they wish to invest in until this situation stabilise. Currently, prices are not predicted to decrease in the medium term.

Higher cost of funds - RBI's rate hikes and the move by the commercial banks to lower their exposure to the real estate sector is drying up funds for the developers. With interest rates going up, commercial projects valuations, which are generally funded through a mix of

debt and equity, may see some downward pressure due to increase in interest rates.

Outlook

In general the outlook for Indian property is still favorable and although the economy will be affected by global developments, it is relatively resilient. Demand for residential property in India is expected to remain high. The increasing demand in residential property and infrastructure development will lead to increase the growth of real estate sector.

The real estate industry's growth is also linked to developments in the retail, hospitality and entertainment (hotels, resorts, cinema theatres) industries, economic services (hospitals, schools) and information technology (IT)- enabled services (like call centres) etc and vice versa. Your company focusing more pertinently on the residential segment to cater the present market demand and in view of this it ensures its sustainability.

Risks and Concern

The Company is exposed to various risks:

Operational risk being the risk pertaining to non-completion and delivery of projects within the scheduled time will have impact of additional cost of construction and maintenance, Appointment and retention of quality contractors and, Increasing raw material prices

Your Company resolve these issues in a regular interval and initiate remedial measures to mitigate the risk.

Policy and regulatory risk: Any changes in government policies and regulations affect the real estate industry immediately. An unfavourable changes in the government policies and regulations can adversely impact the performance of the Company.

Apart from the above, the Company is exposed to other risks such as credit risk, market risk and interest rate risk. These risks are monitored and mitigated under the oversight of senior management personnel of the concerned department by way of careful fund utilisation and planning.

Financial performance with respect to operational performance

The Company's total Income is Rs.135 crores during the financial year 2010-11 as against Rs.145 crores in the previous year 2009-10. The Profit after tax (PAT) for the financial year is Rs.2.52 crores compared to previous year profit of Rs.2.10 crores

On consolidated basis, the total income of your Company and its subsidiaries and joint venture stands at Rs.201.74 crores and consolidated profit after tax (PAT) stood at Rs.0.90 crores. The earning per share (EPS) basic and diluted stands at Rs.2.93 considering the total equity capital of Rs.8.60 crores (86,00,000 equity shares of Rs.10/- each) as on 30th September, 2011. The Board has recommended final dividend of 10% (Rs.1/- per share) for the financial year end, 30.09.2011.

Your Company is one of the few Companies in the real estate development industry in India with the experience of successfully serving consumers as well as businesses.

Review of Projects:

The Project "Villa Viviana" under the SPV, Escapade Real Estate Private Limited of 45 acres approximately, located at Maraimalai Nagar, sub-urban of Chennai, which is a Joint venture between your Company and J P Morgan India Property Fund Mauritius Company is progressing well. The 1st phase of the project which comprises 161 Villas is on the verge of completion. The construction of 2nd phase of the project will commence soon.

The Project "Green Wood" under the SPV, Arihant Unitech Realty Projects Limited of 39.665 acres located at Navalur village in the sub-urban of Chennai is a joint venture between your Company and Unitech Limited of 50:50 equity participation. This project is for development and selling of plots of different sizes. During the year 124 plots have been sold.

The project "Arihant Frangipani" a residential complex containing 332 flats of 2 BHK and 3 BHK category. The Project is located at Chennai sub-urban is under construction.

The Project "Arihant Panache" a residential complex containing 72 flats of 2 BHK and 3 BHK category having high end value. The project is located in Chennai is under construction.

The Project "North Town Estates" a joint venture between your Company and Unitech Ltd on a 50:50 partnership to develop Binny land of 70 acres owned by PVP Ventures Ltd. This Venture is a mixed development and is under construction.

Future Projects in pipeline:

Your company has identified two land banks on Joint Venture. One such project is going to come in Mugappair West in the city of Chennai.

The second proposal is at Nandambakkam in Chennai City.

Internal Control System and their Adequacy

The internal control systems are supplemented by periodic review by the Management. The Audit Committee of Directors also provides necessary guidance for internal control and checking mechanism and reviews the quarterly and annual accounts of the Company before they are submitted to the Board for their approval and adoption so as to ensure adequate internal control system.

Human Resources

Arihant is continuing to maintain a positive, cordial and healthy corporate and employee relationships.

Cautionary Statement

Statements in this Management Discussion and Analysis Report are based upon data available with the Company and on certain assumptions having regard to the economic conditions, government policies, political developments within and outside the country. The management is not in a position to guarantee the accuracy of the assumptions and the projected performance of the Company in future. It is, therefore, cautioned that the actual results may differ from those expressed or implied herein.

ANNEXURE 3

Non -Mandatory Requirements

Compliance of non- mandatory requirements

(I) Non Executive Chairman:

The Company has been maintaining executive Chairman. Hence this provision is not applicable.

(II) Tenure of Independent Directors

No Maximum tenure has been specifically determined for the Independent Directors

(III) Remuneration Committee

The Company has constituted Remuneration Committee w. e. f 28.01.2010. The details about the Committee given in the Report on Corporate Governance.

(IV) Shareholders Rights:

The company has published the quarterly un audited financial results and yearly audited financial results in English and regional language newspaper for circulation in the district in which registered office of the Company situated.

The Company has also posted the same in the Company's website www.arihantfoundations.com. Annual report containing Balance Sheet and Profit and Loss account is also sent to Individual shareholders of the Company.

(V) Postal Ballot:

There was no such transaction of business which fall under the purview of Section 192A of the Companies Act, 1956, which require passing of the resolution by postal ballot.

(VI) Audit Qualifications

The remarks/ comments of the Auditors on the financial statements, if any, has/ have been suitably clarified/ explained in the Notes to the Accounts/ Directors' Report.

VII) Training of Board Members

The Board of Directors of the Company is continuously briefed, by the Managing Director of the Company with respect to developments and performance of the Company so as to update them and to seek their suggestions in the relevant areas.

(VIII) Mechanism of Evaluation of Non Executive Directors

The Board evaluates its Non- Executive Directors on the basis of their individual contribution towards achievement of goal of the Organization.

(IX) Whistle Blower Policy

The Company has not implemented whistle blower policy as it is a non mandatory requirement. However it has a policy for employees to have an open access to the respective functional heads, Head- HRD, Managing Director and other Key management personnel.

ANNEXURE 4**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To,

The Shareholders of Arihant Foundations & Housing Limited

We have examined the compliance of conditions of Corporate Governance by Arihant Foundations & Housing Limited for the year ended on 30th September 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

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.

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.

We state that no investor complaints were pending for a period exceeding one month against the Company as certified by the Registrars and Share Transfer Agents of the Company based on the records maintained by them.

For B. P Jain & Co.,
Chartered Accountants

Sd/-
Devendra Kumar Bhandari
Partner
Membership no. 208862

Place: Chennai
Date: 29.11.2011

AUDITOR'S REPORT

1. We have audited the attached balance sheet of M/s Arihant Foundations & Housing Limited ("the Company") as at 30th September 2011, and also the annexed profit and loss account of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended by the Companies (Auditor's Report) (Amendment) Order 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments above, we report that:

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- iii) The balance sheet and profit and loss account dealt with by this report are in agreement with the books of account;
- iv) In our opinion, the balance sheet, and profit and loss account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, except in case of HUDCO the company has not accrued interest for the period amounting to Rs.1,39,36,936/- and total accumulated interest for the period (1/07/2004 to 30/09/2011) amounting to Rs. 10,10,71,424/-.

v) On the basis of written representations received from the directors, as on 30th September 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 30th September 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;.

vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) In the case of the balance sheet, of the state of affairs of the Company as at 30th September 2011 and

(b) In the case of the profit and loss account, of the profit of the Company for the year ended 30th September 2011.

(c) In the case of cash flow statement, of the cash flows for the year ended on that date.

For B.P.JAIN & CO.
CHARTERED ACCOUNTANTS

Sd/-
DEVENDRA KUMAR BHANDARI
Partner
Membership No.: 208862

Place: Chennai
Date: 29.11.2011

ANNEXURE

Re: M/S ARIHANT FOUNDATIONS & HOUSING LIMITED
Referred to in paragraph 3 of our report of even date,

On the basis of such checks we considered appropriate and according to the information and explanations given to us during the course of audit, we state that:

(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. None of the assets have been revalued during the year.

(b) The fixed assets have been physically verified by the management at reasonable interval and no material discrepancies are noticed on such verification.

(c) The company has not disposed off substantial part of fixed assets during year so as to affect its going concern status.

(ii) (a) The stock of construction materials has been physically verified at periodic intervals and no significant discrepancies has been noticed on such verification during the year.

(b) The procedure of physical verification of stock of building material, followed by the management is reasonable and adequate in relation to the size of the company and nature of its company.

(c) The company does not maintain stock records of raw materials. We are of the opinion that the valuation of the stock of building is as per normally accepted accounting principles. The company has not identified slow moving building materials separately.

(iii) (A) The company has granted during the year loans of unsecured in nature to companies, firms or other parties listed in the register maintained under section 301 of the companies Act 1956, and the details are as follows

No of parties - 11, amount of loan granted during the year : Rs. 75.41 Crores, maximum amount involved in the transaction : Rs. 74.39 Crores, Closing balance of the loan is : Rs. 72.11 Crores.

(b) The rate of interest and other terms and conditions of loans given by the company, secured and unsecured are not prima facie prejudicial to the interest of the company.

(c) The receipt of principal and interest thereon are regular.

d) Where the overdue amount exceeds rupees one lakh the company has taken necessary steps to recover the amount and interest thereon.

e) The company has taken loans, secured or unsecured from companies, firms or other parties listed in the register maintained under section 301 of the companies Act 1956 and the details are as follows

No of parties -7, the amount of loan taken during the year is : Rs. 17.12Crores, maximum amount involved in the transaction : Rs. 22.43Crores, closing balance of the loan is : Rs. 17.89Crores.

(f) The rate of interest and other terms and conditions of the loan taken by the company, secured and unsecured are not prima facie, prejudicial to the interest of the company.

(g) The repayment of principal and interest thereon to the concerned parties is also regular. During the year the company has repaid loans to the extent of Rs 19,30,20,515/-

(iv) The company has an adequate internal control procedure commensurate with the size and nature of business for the purchase of stores and raw materials, plant & machinery, equipment and other assets for the sale of finished stocks.

(v) (a) In our opinion and according to the information and explanations given by the management, contracts and arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under section 301 of the companies Act 1956 and exceeding the value of rupees five lakhs in respect of any party during the

year, have been made at a price which are reasonable having regard to the prevailing market prices at the relevant time.

(vi) The Company has accepted fixed deposits and in our opinion and according to the information and explanation given to us, the directives issued by the Reserve Bank of India and provisions of Section 58A, 58AA and other relevant provisions of the Companies Act, 1956 and rules framed there under, where applicable, have been duly complied with. We are informed that no order has been passed by the company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal. The company has filed annual return of deposits for the year 2011.

(vii) In our opinion the company has an internal audit system commensurate with size and nature of its business.

(viii) The Central Government has not prescribed the maintenance of cost records by the Company under section 209 (1) (d) of the Companies Act, 1956.

(ix) According to the information and explanations given to us and on the basis of our examination of books of account, in our opinion

a) The Company is regular in depositing undisputed statutory dues including, Investor Education and protection fund, Income Tax, Wealth Tax, Service Tax, Cess, Sales tax, VAT, Excise duty and any other material statutory dues during the year with the appropriate authorities. Except the company did not remit the employees provident fund to extent of Rs.12,30,745/-.

b) According to the information and explanation given to us there are dues in respect of following taxes on account of dispute, which are as follows:-

INCOME TAX

Income tax A.Y.	Nature of due	Amount	Pending before Which Authority
2004-05	Regular	13,71,638	CIT Appeals
2005-06	Regular	53,23,956	CIT Appeals
2007-08	Regular	65,65,350	CIT Appeals

SERVICE TAX

Pertaining to Period	Amount	Pending Before Authority
October 2004 to March 2007	2316081/-	(Madras High Court)

The company has filed a writ against the above service tax levied by the department and the penalty levied by the service tax department to the tune of Rs.70 lakhs vide court case No.6652/2011 before the honorable madras High Court and the high court has granted a stay until further orders.

(x) The company has no accumulated losses as at September 30, 2011 and it has not incurred cash losses in the financial year ended on that date or in the immediately preceding financial year.

(xi) According to the records of the company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or Bank or debenture holders as at the balance sheet date. (Except in case of HUDCO, wherein the company is disputing the amount of interest payment / Principal payment and rate of interest due to non release of NOC in favor of prospective buyers vide court case No Q.A.No 78 of 2004. The company had filed contempt of court petition vide petition No 384/2004 against HUDCO for not obeying the directions of High Court. HUDCO had filed a suit in the Debt Recovery Tribunal). The company has accrued a sum of Rs. 12,87,47,121/- as payable to HUDCO towards principal, since the above dispute as to principal and interest thereon a sum of Rs 15,48,54,845/- was determined as principal by the Debt Recovery Tribunal. The company has paid the principal amount of Rs.15,48,54,845 to HUDCO (Rs.12,87,47,121/- and 2,61,07,364/- as interest). The company has not accrued interest to the tune Rs 10,10,71,423.40 as payable to HUDCO as per the order of the Debt Recovery Tribunal Dated 8/8/2011 for the period (01/07/2004 to 30/09/2011).

(xii) According to the information and explanation given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) The provision of any special statute applicable to a chit fund / mutual benefit fund / societies are not applicable to the company.

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, clause 4(xiv) of the order is not applicable.

(xv) In our opinion, and according to information and explanations given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions.

(xvi) According to the information and explanations given to us and on the basis of examination of books of accounts, the company has applied term loans for the purpose for which the loans were obtained.

(xvii) According to the information and explanation given to us and on an overall examination of balance sheet of the company, we report that no funds raised for short term basis utilised for long term investment and vice versa.

(xviii) According to the information and explanations given to us the Company has allotted equity shares on preferential basis upon conversion of convertible equity warrants to the parties covered in the register maintained under section 301 of the Companies Act, 1956. The price at which shares have been issued is not prejudicial to the interest of the company.

(xix) The company has not issued any debentures during the year hence question of having security or registering a charge with the Registrar of Companies does not arise during the year.

(xx) The company has not raised the public issue during the year; accordingly, clause 4(xx) of the Order is not applicable to the Company.

(xxi) According to information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For B.P.JAIN & CO.
CHARTERED ACCOUNTANTS

Sd/-

DEVENDRA KUMAR BHANDARI
Partner
Membership No.: 208862

Place: Chennai
Date: 29/11/2011

ARIHANT FOUNDATIONS & HOUSING LIMITED
BALANCE SHEET AS AT 30TH SEPTEMBER 2011

	SCHEDULE NO	AMOUNT AS ON 30.09.2011 (Rs.)		AMOUNT AS ON 30.09.2010 (Rs.)	
I SOURCES OF FUNDS					
(1) SHARE HOLDER'S FUNDS					
(A) SHARE CAPITAL	I	86000000.00		74800000.00	
(B) RESERVES & SURPLUS	II	1534503190.99		1446907653.12	
			1620503190.99		1521707653.12
(2) LOAN FUNDS					
(A) SECURED LOANS	III	694462217.61		763786573.76	
(B) UNSECURED LOANS	IV	205590750.55	900052968.16	555034520.60	1318821094.36
(3) DEFFERED TAX LIABILITY			2451964.86		4434243.00
TOTAL			2523008124.01		2844962990.48
II APPLICATION OF FUNDS					
(1) FIXED ASSETS					
a) GROSS BLOCK	V	170826563.28		165134727.60	
Less: DEPRECIATION		35384468.98		29992795.10	
Net Block			135442094.30		135141932.50
(2) INVESTMENTS	VI		102235289.65		102150423.00
(3) CURRENT ASSETS, LOANS & ADVANCES					
(i) CURRENT ASSETS					
a) INVENTORIES	VII	550038397.14		740583625.85	
b) SUNDRY DEBTORS	VIII	749642950.73		832482488.57	
c) CASH & BANK BALANCE	IX	41351490.63		107453434.89	
(ii) LOANS & ADVANCES	X	1817895412.83		1640172584.60	
		3158928251.33		3320692133.91	
LESS: CURRENT LIABILITIES AND PROVISIONS					
a) LIABILITIES	XI	843305630.70		692595834.36	
b) PROVISIONS	XII	30291880.57		20451164.57	
		873597511.27	2285330740.06	713046998.93	2607645134.98
(4) MISCELLANEOUS EXPENSES TO THE EXTENT NOT WRITTEN OFF	XIII		--		25500.00
TOTAL			2523008124.01		2844962990.48
Significant accounting policies and notes forming part of accounts	XVIII				

As per our attached report of even date
For **B.P. Jain & Co.**

Chartered Accountants

sd/-
Devendra Kumar Bhandari
Partner
Membership No.: 208862

CHENNAI
29.11.2011

For and on behalf of board of directors
For **Arihant Foundations & Housing Limited**

sd/-
Kamal Lunawath
Managing Director

sd/-
Vimal Lunawath
Wholetime Director

sd/-
Kishore Kumar Sahoo
Company Secretary

ARIHANT FOUNDATIONS & HOUSING LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30.9.2011

	SCHEDULE NO	AMOUNT AS ON 30.09.2011 (Rs.)	AMOUNT AS ON 30.09.2010 (Rs.)
I. INCOME			
(A) INCOME FROM OPERATIONS	XIV	1178909959.56	1397865916.56
(B) OTHER INCOME		167232856.31	52635599.22
TOTAL		1346142815.87	1450501515.78
II. EXPENDITURE			
(A) CONSTRUCTION EXPENSES	XV	1159298105.90	1269910628.87
(B) ADMINISTRATIVE AND ESTABLISHMENT EXPENSES	XVI	72766964.54	52467096.16
(C) INTEREST AND FINANCE CHARGES	XVII	74762811.50	90888981.97
(D) DEPRECIATION		5391673.88	5672695.71
		1312219555.82	1418939402.71
PROFIT AFTER DEPRECIATION		33923260.05	31562113.07
PROVISION FOR TAXATION		8767722.18	10555660.00
CURRENT TAX		10750000.00	6121417.00
DEFERRED TAX		(1982277.82)	4434243.00
PROFIT AFTER TAX		25155537.87	21006453.07
ADD BACK PROPOSED DIVIDEND FOR LAST YEAR (Refer Note.11)		7480000.00	--
PAYMENT OF DIVIDEND (Previous year)		--	430000.00
PROPOSED DIVIDEND		8600000.00	7480000.00
BALANCE CARRIED FORWARD TO BALANCE SHEET		24035537.87	13096453.07
Earning Per Share (Basic)		2.93	2.88
Earning Per Share (Diluted)		2.93	2.44
Refer note no. 9 of Schedule XVIII			
Significant accounting policies and notes forming part of accounts	XVIII		

As per our attached report of even date
For **B.P. Jain & Co.**

sd/-

Devendra Kumar Bhandari

Partner

Membership No.: 208862

CHENNAI
29.11.2011

For and on behalf of board of directors
For **Arihant Foundations & Housing Limited**

sd/-

Kamal Lunawath

Managing Director

sd/-

Vimal Lunawath

Wholetime Director

sd/-

Kishore Kumar Sahoo

Company Secretary

ARIHANT FOUNDATIONS & HOUSING LIMITED
SCHEDULES TO THE BALANCE SHEET

	AMOUNT AS ON 30.09.2011 (Rs.)		AMOUNT AS ON 30.09.2010 (Rs.)	
SCHEDULE - I				
SHARE CAPITAL AUTHORISED				
1,00,00,000 EQUITY SHARES OF RS.10/- EACH		100000000.00		100000000.00
ISSUED, SUBSCRIBED & PAID UP				
86,00,000 EQUITY SHARES OF RS.10/- EACH FULLY PAID UP	86000000.00			
74,80,000 EQUITY SHARES OF RS.10/- EACH FULLY PAID UP (Refer notes forming part of accounts Note No.1)		86000000.00	74800000.00	74800000.00
SCHEDULE - II				
RESERVES & SURPLUS				
BALANCE AS PER LAST BALANCE SHEET	88308751.98		88308751.98	
GENERAL RESERVE	--	88308751.98	--	88308751.98
ADD : ADDITIONS DURING THE YEAR				
PROFIT & LOSS ACCOUNT BALANCE	851508901.14		838412448.07	
ADD : ADDITIONS DURING THE YEAR	24035537.87	875544439.02	13096453.07	851508901.14
SECURITY PREMIUM				
OPENING BALANCE	482170000.00		404500000.00	
Add : Shares Forfeited	--		43700000.00	
Addition During the year	88480000.00	570650000.00	33970000.00	482170000.00
(11,20,000 Equity shares @ RS. 79/- each)				
11,20,000 CONVERTIBLE WARRANTS OF RS. 89/- EACH (RS.22.25 PAID UP)		--		24920000.00
		1534503190.99		1446907653.12
SCHEDULE - III				
SECURED LOAN				
BANKS	259464814.70		187835750.52	
OTHERS	434997402.91		546403209.24	
INTEREST ACCRUED & DUE	--		29547614.00	
(Secured against Mortgage of Property in relavent projects and directors personal guarantee)		694462217.61		763786573.76
SCHEDULE - IV				
UNSECURED LOANS				
(A) FIXED DEPOSITS	14028560.00		6250313.00	
(B) DIRECTORS	117034152.55		159039073.60	
(C) INTERCORPORATE DEPOSITS	47405947.00		161436577.00	
(D) UNSECURED LOANS - OTHERS	27122091.00	205590750.55	228308557.00	555034520.60

SCHEDULE - V FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	BALANCE AS ON 01.10.10	ADDITIONS DURING 01.10.10 to 30.09.11	DELETIONS DURING 01.10.10 to 30.09.11	BALANCE AS AT 30.09.11	BALANCE AS ON 01.10.10	FOR THE PERIOD 01.10.10 to 30.09.11	DELETIONS DURING 01.10.10 to 30.09.11	TOTAL AS ON 30.09.11	AS ON 30.09.2010 AS ON 30.09.2011
LAND	17931721.00	--	--	17931721.00	--	--	--	--	17931721.00 17931721.00
BUILDINGS	96557477.00	--	--	96557477.00	1061182.87	1569626.50	--	12180809.37	85946294.13 84376667.63
VEHICLES	10678114.63	3844574.00	--	14522688.63	3317073.19	1037941.36	--	4355014.55	7361041.44 10167674.08
PLANT & MACHINERY	18645208.97	1833261.68	--	20478470.65	7889571.76	1456913.28	--	9346485.04	10755637.21 11131985.61
FURNITURE & FIXTURES	21255937.00	14000.00	--	21269937.00	8108698.28	1327192.74	--	9435891.02	13147238.72 11834045.98
BOOKS	66269.00	--	--	66269.00	66269.00	--	--	66269.00	-- --
TOTAL	165134727.60	5691835.68	--	170826563.28	29992795.10	5391673.88	--	35384468.98	135141932.50 135442094.29
Previous Year Values	173879205.60	8936252.00	17680730.00	165134727.60	26754369.69	5672695.71	2434270.30	29992795.10	147124835.91 135141932.50

ARIHANT FOUNDATIONS & HOUSING LIMITED
SCHEDULES TO THE BALANCE SHEET

SCHEDULE - VI INVESTMENTS LONG TERM INVESTMENTS TRADE INVESTMENTS SHARES IN COMPANIES - UNQUOTED	AMOUNT AS ON		AMOUNT AS ON	
	30.09.2011 (Rs.)		30.09.2010 (Rs.)	
(i) Arihant Unitech Reality Projects Ltd. (500000 Equity Shares of Rs.10 each fully PaidUp)	5000000.00		5000000.00	
(ii) Escapade Real Estate Pvt. Ltd (1100000 Equity Shares of Rs.10/- each fully paid up)	11000000.00		11000000.00	
(iii) Arihant Indo African Infra Developers & Builders Pvt. Ltd. (203274 Equity shares of Rs. 10/- each fully Paid up)	2032740.00		2032740.00	
(iv) Heirloom Real Estate Pvt. Ltd. (2500 Equity shares of Rs. 10/- each fully Paid up)	25000.00		25000.00	
(v) Hills & Vales Real Estate Pvt. Ltd (2500 Equity shares of Rs. 10/- each fully Paid up)	--		25000.00	
(vi) North Town Estates Pvt. Ltd. (25000 Equity shares of Rs. 10/- each fully Paid up)	250000.00		250000.00	
(vii) Viviana Infra Developer Pvt. Ltd. (10000 Equity shares of Rs. 10/- each fully Paid up)	100000.00		--	
DEBENTURES ARIHANT INDO AFRICAN INFRA DEVELOPERS & BUILDERS PVT. LTD (13%, 807345 Optionally Redeemable convertible debentures of Rs. 100/- each)	80734500.00		80734500.00	
WHOLLY OWNED SUBSIDIARY COMPANIES INVESTMENTS IN SUBSIDIARY COMPANIES ARIHANT GRIHA LTD. (50000 Equity shares of Rs. 10/- each fully Paid up)	500000.00		500000.00	
VARENIA CONSTRUCTIONS LTD. (50000 Equity Shares of Rs. 10/- each fully paid up)	500000.00		500000.00	
TRANSPARENT HEIGHTS REAL ESTATE LTD. (50000 Equity shares of Rs. 10/- each fully Paid up)	500000.00		500000.00	
VAIKUNT HOUSING LTD. (500000 Equity shares of Rs. 1/- each fully Paid up)	500000.00		500000.00	
QUOTED (FULLY PAID AT COST) Happy Homes Profin Ltd. (44800 equity shares of Rs. 10/- each Fully Paid Up)	1.00		1.00	
Indotech Transformers Ltd. (691 equity shares of Rs. 130/- each Fully Paid up) (Market Value Rs. 79465/-)	89830.00		180830.00	
Tata Consultancy Services Ltd (3600 equity shares of Rs. 1/- each fully paid up) (Market Value Rs. 3734280/-)	902352.00		902352.00	
Hindustan Construction Company Ltd. (500 equity shares of Rs. 45.20/- each fully paid up) (Market Value Rs.14,375)	22766.65		--	
IDBI BANK LTD (500 equity shares of Rs. 155.40/- each fully paid up) (Market Value Rs.51,275/-)	78100.00		--	
Aggregate Amount of Quoted Investment		102235289.65		102150423.00
Un-Quoted Investment		1093049.65 101142240.00		1083183.00 101067240.00

ARIHANT FOUNDATIONS & HOUSING LIMITED
SCHEDULES TO THE BALANCE SHEET

	AMOUNT AS ON 30.09.2011 (Rs.)		AMOUNT AS ON 30.09.2010 (Rs.)	
SCHEDULE VII INVENTORIES & WORK IN PROGRESS (At cost taken, valued and certified by the management) STOCK OF CONSTRUCTION RAW MATERIAL FINISHED STOCK WORK IN PROGRESS	4080292.00 224730225.55 321227879.59	550038397.14	2325389.00 218106881.94 520151354.91	740583625.85
SCHEDULE VIII SUNDRY DEBTORS (UNSECURED & CONSIDERED GOOD) DEBTS OUTSTANDING FOR A PERIOD MORE THAN SIX MONTHS LESS THAN SIX MONTHS	674823397.21 74819553.52		471886500.24 360595988.33	
SCHEDULE IX CASH & BANK BALANCE (A) CASH BALANCE ON HAND (B) BALANCE WITH SCHEDULED BANKS (C) FIXED DEPOSITS WITH SCHEDULED BANK	5501458.71 27195038.44 8654993.48	749642950.73 41351490.63	4932897.21 90693792.02 11826745.66	832482488.57 107453434.89
SCHEDULE X LOANS & ADVANCES UNSECURED CONSIDERED GOOD TO BE RECEIVED IN CASH OR KIND (A) SECURITY DEPOSITS (B) ADVANCE FOR EXP./CONTRACTORS (C) OTHER DEPOSITS (D) PREPAID EXPENSES (E) ADVANCE FOR PURCHASE OF LAND (F) TAXES	583285617.00 820140240.36 317898621.82 363170.50 34451565.00 61756198.15	1817895412.83	532341525.18 719305518.93 283306789.27 289530.50 59451565.00 45477655.72	1640172584.60
SCHEDULE XI CURRENT LIABILITIES (A) ADVANCE FOR PROJECTS & FROM CUSTOMER (B) OUTSTANDING LIABILITIES (C) RENTAL DEPOSITS (D) SUNDRY CREDITORS FOR SUPPLIERS (E) INVESTOR EDUCATION PROTECTION FUND (F) OTHER LIABILITIES	418802374.66 319040657.47 24507438.00 64209690.63 55010.00 16690460.00		281010148.98 340344866.40 24507438.00 36648810.98 55010.00 10029560.00	
		843305630.70		692595834.36

ARIHANT FOUNDATIONS & HOUSING LIMITED
SCHEDULES TO THE BALANCE SHEET

	AMOUNT AS ON 30.09.2011 (Rs.)		AMOUNT AS ON 30.09.2010 (Rs.)	
SCHEDULE - XII				
PROVISIONS				
(A) PROVISION FOR TAXATION	16506615.73		11283537.73	
(B) PROVISION FOR GRATUITY	4014765.00		350481.00	
(C) PROVISION FOR DIVIDEND	9770499.84		8817145.84	
		30291880.57		20451164.57
SCHEDULE - XIII				
MISCELLANEOUS EXPENDITURE				
(A) PRELIMINARY EXPENSES	25500.00		31000.00	
(B) DEFERRED REVENUE EXP	--		20000.00	
	25500.00		51000.00	
LESS: WRITTEN OFF	25500.00		25500.00	
		--		25500.00
SCHEDULE - XIV				
INCOME FROM OPERATION				
(A) SALES	628871562.42		657282364.00	
(B) CLOSING STOCK	4080292.00		2325389.00	
(C) FINISHED GOODS	224730225.55		212106881.94	
(D) WORK IN PROGRESS	321227879.59		526151281.62	
		1178909959.56		1397865916.56
SCHEDULE - XV				
(a) MATERIAL	168704825.01		175904521.22	
(b) LABOUR & SUB CONTRACT EXP.	152942354.05		85332960.63	
(c) OTHER EXPENSES	473891950.70		533150080.13	
		795539129.76		794387561.98
(B) LAND		363758976.14		475523188.20
		1159298105.90		1269910750.17

ARIHANT FOUNDATIONS & HOUSING LIMITED
SCHEDULES TO THE BALANCE SHEET

	AMOUNT AS ON 30.09.2011 (Rs.)		AMOUNT AS ON 30.09.2010 (Rs.)	
SCHEDULE - XVI				
ADMINISTRATIVE AND ESTABLISHMENT EXPENSES				
A. ADMINISTRATIVE EXPENSES				
AUDIT FEES	661800.00		661800.00	
BANK CHARGES	35212.83		89785.08	
DIRECTORS REMUNERATION	5069792.00		4584395.00	
DONATION	967000.00		548191.00	
ELECTRICITY CHARGES	642102.00		454619.00	
FILING, LEGAL & OTHER FEES	8319077.50		3184161.50	
GRATUITY	3664284.00		350481.00	
MISCELLANEOUS EXPENSES	4175515.03		5771387.33	
INSURANCE	189310.00		66293.00	
OFFICE MAINTENANCE	1276729.00		332927.00	
LOSS ON SALE OF ASSETS	--		1776059.71	
PRINTING & STATIONERY	1097937.00		822685.50	
RENT	4341375.00		3426450.00	
REPAIRS & MAINTENANCE OF BUILDING	21499631.17		16974311.48	
SITTING FEES	68000.00		56000.00	
SHARE REGISTRAR EXPENSES	29490.00		42656.00	
STAFF SALARY	11254516.00		4940488.00	
STAFF WELFARE	465107.50		393155.00	
SUBSCRIPTION & PERIODICALS	20990.00		22915.00	
TELEPHONE & POSTAGE	1482560.00		1062170.56	
TRAVELLING, CONVEYANCE & FUEL	5311290.51		5090325.00	
		70571719.54		50651256.16
B. SALES PROMOTION				
ADVERTISEMENT EXPENSES	1531889.00		703176.00	
BUSINESS PROMOTION	637856.00		1107164.00	
		2169745.00		1810340.00
C. PRE-OPERATIVE EXPENSES		25500.00		5500.00
		72766964.54		52467096.16
SCHEDULE XVII				
INTEREST & FINANCIAL CHARGES				
INTEREST	74762811.50		90888981.97	
		74762811.50		90888981.97

SCHEDULE –XVIII**A. SIGNIFICANT ACCOUNTING POLICIES****1. BASIS OF ACCOUNTING**

a) The financial statements have been prepared under the historical cost conversion in accordance with the generally accepted accounting principles and provisions.

b) Accounting policies not specially referred to otherwise are consistently followed throughout the period under audit and in consonance with the generally accepted accounting principles followed by the Institute of Chartered Accountants of India.

2. USE OF ESTIMATES

The preparation of financial statement in conformity with generally accepted accounting policies requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at date of the financial statements and the reported accounts of revenues and expenses for the years presented. Actual results could differ from these estimates.

3. FIXED ASSETS AND DEPRECIATION

a) The fixed assets are stated at cost less accumulated depreciation, cost includes all related expenses incurred up to the date the Assets is put to use.

b) Depreciation on fixed asset is provided on straight line method as per rate and manner prescribes in schedule-XIV of the companies Act 1956. The depreciation has been provided at 100% on the Assets purchased during the year the cost of which is less than Rs 5000/-

c) Fixed assets acquired under hire purchase agreement are recorded at their cash values and finance charges thereon related to period are charged to revenue account. The vendors have lien on these Assets.

4. RECOGNITION OF INCOME

The revenue is recognized on the "Percentage of Completion Method" of accounting of projects subject to percentage of confirmation of sales relating to each project.

5. SUNDRY DEBTORS

Represents value of sales less amount received.

6. VALUATION OF INVENTORIES

a) Work in progress : Work-in-progress comprises direct cost of project and valued at cost less cost of sales.

b) Finished stock : Finished stocks consist of unsold stock in trade at the end of financial year.

7. INVESTMENTS

The long term investments are carried at cost. The decline other than temporary, will reduced from carrying amount to recognize decline.

8. EMPLOYEE BENEFIT

a) Provident Fund Plan

The company is yet to remit the employees contribution to provident fund to the tune of Rs.12,30,745/-

b) Defined Gratuity obligation

Liability for Gratuity and balance of leave not availed due to employees are provided on the basis of actuarial valuation carried out at the Balance Sheet date by an independent actuary using the Projected Unit Credit (PUC) method.

9. TAXES ON INCOME

Income tax comprises current tax and deferred tax. Current tax is the amount of tax payable as determined in accordance with the provisions of the Income Tax Act 1961. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences, subject to the consideration of prudence. Deferred tax asset and liabilities are measured using the tax rates applicable to the company at the balance sheet date.

10. DEFERRED TAX

Deferred tax liability is adjusted with the deferred tax asset and the closing balance standing at the end of the year is net off deferred tax asset created during the year. The details are as follows:-

Particulars	Balance as on 30/09/2010	Credited / (Charged) To Profit & Loss A/c	Balance as on 30/09/2011
Tax impact of provision for Gratuity and difference in the amount of depreciation	(4434243.00)	1982278.14	(2451964.86)

11. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

i) Sales tax liability, if any on works contracts carried out by the company is considered by management as not material but if any liability arises it will be recovered from customers.

ii) During the financial year the company has received a show cause notice from the service tax department in which they have asked for clarification from the company regarding the differences arises in the computation of service tax for the periods as given below. The total amount for which the explanation has been asked for is Rs.13,79,844/-. The details of the two show cause notice are as follows:-

Date of Notice	Pertaining to period	Amount
19/10/2010	April,2009 to Sept.2009	1379844/-

The company has file a writ petition against the above service tax levied by the department and the penalty levied by the service tax department to the tune of Rs 70 lakhs vide court case number-6562 / 2011 before the honorable Madras High Court and the High Court has granted a stay until further orders.

The Company has received notice from Income Tax Department for reopening the assessment for the assessment year 2004-05. The Company has decided to challenge the same in the appropriate forum.

Chennai Metropolitan Development Authority:-

The Company has built all properties in accordance to plan except minor deviations which are within permissible limits.

iii) Contingent assets are neither recognized nor disclosed.

12. BORROWING COST

Borrowing costs that are directly attributable to the acquisition or construction of qualifying asset are considered as part of the cost of that asset. Other borrowing costs are recognized as an expense in the year in which they are incurred. The Borrowing cost of the projects are charged to project accounts in the year in which they are incurred.

B. NOTES FORMING PART OF ACCOUNTS

1. SHARE CAPITAL AND SHARE WARRANTS

On 05th August, 2009, the Company has allotted 15,50,000 convertible equity warrants to Persons forming part of Promoter Group and a Body Corporate on preferential basis at a total exercise price of Rs.89/-(including premium of Rs.79/-). These warrants were allotted in accordance with SEBI (Issue of Capital & Disclosure Requirements)

Regulations, 2009. At the time of allotment of the aforesaid convertible equity warrants, the Company has received 25% of total exercise price, Rs.22.25 per convertible equity warrants to the tune of Rs.3,44,87,500/-. On 16th March, 2010, Persons forming part of Promoter Group has converted 4,30,000 convertible equity warrants in to equal no. of fully paid up equity shares on payment of balance exercise price of Rs.66.75/- per convertible equity warrants and were allotted 4,30,000 fully paid up equity shares. The said allotment has resulted in to increase the paid up share capital of the Company from 70,50,000 equity shares of Rs. 10/- each to 74,80,000 fully paid up equity shares of Rs.10/- each.

During the year on 03.02.2011, the persons forming part of promoter group and a body corporate have converted outstanding 11,20,000 convertible equity warrants in to equal no. of fully paid up equity shares on payment of balance exercise price of Rs.66.75/- per convertible equity warrants and were allotted 11,20,000 fully paid up equity shares. The said allotment has resulted in to increase the paid up share capital of the Company from 74,80,000 fully paid up equity shares of Rs.10/- each to 86,00,000 fully paid up equity shares of Rs.10/- each.

The total proceeds from the aforementioned preferential issue have been utilized in Company's Project.

2. LIABILITIES AND ASSETS

Sundry Debtors, Sundry Creditors and loans and advances are subject to confirmation.

3. SECURED LOANS

Nature of Security.

Term Loans / Project loans from Banks and Financial Institutions are secured by hypothecation of fixed assets, current assets and mortgage of certain lands and projects of the Company and its Subsidiaries. The said loan further secured by personal guarantees of Managing Director and whole time Director.

4. REMUNERATION TO AUDITORS (Including Service Tax)

Particulars	30.09.2011 (Rs)	30.09.2010 (Rs)
Statutory Auditors		
i) Audit fees		
Statutory Auditors	3,30,900	3,30,900
ii) In other capacity		
Tax audit fees	1,65,450	1,65,450
iii) Income Tax representation		
	1,65,450	1,65,450

5. MANAGERIAL REMUNERATION

PARTICULARS	(Rs. In lakhs)	
	30.09.11	30.09.10
Managing Directors Remuneration (Including dearness and all other allowances)	9.00	9.00
Commission to Managing Director (3% of Net Profit)	11.70	10.84
Whole time director's Remuneration	30.00	26.00

Calculation of net profit in accordance with Section 349 of the Companies Act, 1956 for the purpose of commission to Managing Director:

PARTICULARS	(Rs. In lakhs)	
	30.09.2011	30.09.2010
Gross Income	7961.04	7099.18
Less:-Direct Cost	6092.60	5293.27
Administrative Overheads (Excluding Directors Remuneration)	1478.52	1444.44
Net Profit for calculation of commission	389.92	361.47
Commission @3% Rounded to	11.70	10.84

6. INTEREST IN JOINT VENTURE AND ASSOCIATES

Company / Partnership Firms	Proportion of ownership as on	
	30.09.2011	30.09.2010
Arihant Unitech Realty Projects Limited	50%	50%
Escapade Real Estate Private Limited	50%	50%
Arihant Indo African Infra Developers and Builders Private Limited	26%	26%
North town estates Pvt. Ltd	50%	50%

Arihant Foundations Partnership Firm	4%	4%
Arihant Foundations & Housing Partnership Firm	3%	3%
Arihant Heirloom Partnership Firm	49.39%	49.39%

The above joint venture entities are incorporated in India. The Company's share of the assets and liabilities as on 30.09.2011 and income and expenses for the year in respect of joint venture entities based on audited/ unaudited accounts are considered for consolidation.

7. RELATED PARTY DISCLOSURES

Related parties are classified as:

Wholly owned subsidiaries:

Arihant Griha Limited
Transperent Heights Real Estate Limited
Vaikunt Housing Limited
Varenva Constructions Limited

Joint Venture

Arihant Unitech Realty Projects Limited
Arihant Indo African Infra Developers and Builders Private Limited
Escapade Real Estate Private Limited
North Town Estates Private Limited
Arihant Foundations
Arihant Foundations & Housing
Arihant Heirloom

Associates

Arihant Hospitality Chennai Private Limited
Heirloom Real Estate Private Limited

Key Management Personnel

Mr. Kamal Lunawath- Chairman and Managing Director
Mr. Vimal Lunawath- Whole time Director
Mr. Col. A.L Jayabhanu- Whole time Director
Mr. Bharat Jain- Whole time Director

Individuals owning directly or indirectly, an interest in the voting power of the reporting enterprise and relatives of any such individual:

1. Mr. Kamal Lunawath
2. Mr. Vimal Lunawath
3. Mr. A.L Jayabhanu
4. Mr. Bharat Jain
5. Mrs. Snehalatha Lunawath
6. Mrs. Preethi Lunawath
7. Mrs. Kavita Lunawath

Summary of significant related parties transactions carried out in ordinary course of business are as under:

Sl No.	Description	100% Subsidiaries	Associates Joint Ventures	Key management personnel	Entities, relatives of key management personnel and individuals owning directly or indirectly, an interest in the voting power of the reporting enterprise and relatives of any such individual
		Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
1	Purchase Of Goods	Nil	Nil	Nil	Nil
2	Sale of Goods	Nil	Nil	Nil	Nil
3	Purchase of fixed assets	Nil	Nil	Nil	Nil
4	Sale of fixed assets	Nil	Nil	Nil	Nil
5	Service rendered	Nil	13659939 (10506899.00)	Nil	Nil
6	Service received	Nil	Nil	Nil	Nil
7	Agency arrangements	Nil	Nil	Nil	Nil
8	Leasing or Hire purchase arrangements	Nil	Nil	Nil	Nil
9	Transfer of Research & Development	Nil	Nil	Nil	Nil
10	Licence agreements	Nil	Nil	Nil	Nil
11	Receipts	9092474.00 (72556300.00)	57,32,30,969.06 (693670202.00)	6,88,32,818.00 (146235461.00)	12980224 (21761634.00)
12	Payments	74088064.00 (8118550.00)	692334070.63 (740082689.06)	10,78,67,948.00 (71055117.00)	20,22,320.00 (762373.00)
13	Receipts for shares and warrants			28702500.00 (28702500.00)	
14	Remuneration paid			5069792.00 (4584395.00)	
15	Guarantees & Collaterals received	Nil	Nil (1560000.00)	Nil (48852752.00)	Nil
16	Management contracts including for deputation of employees	Nil	Nil	Nil	Nil

Figures in bracket related to previous year

8. UNCLAIMED DIVIDEND

Financial Year	Date of Declaration of Dividend	Unpaid Dividend as on 30/09/2011	Due date of Transfer to IEPF
2004-05	24/03/2006	8453.20	22/04/2013
2005-06	23/03/2007	90856.00	21/04/2014
2006-07	28/03/2008	193544.00	26/04/2015
2007-08	20/03/2009	65057.00	18/04/2016
2008-09	26/03/2010	144331.00	24/04/2017

9. EARNING PER SHARE as required by Accounting Standard 20:

I) Basic Earning Per Share		
	30.09.2011	30.09.2010
a) Weighted average number of shares considered for calculation (in lakhs)	86.00	72.84
b) Net Profit after tax (in lakhs)	251.56	210.06
c) Basic Earnings per share (b) / (a) in Rs.	2.93	2.88
d) Face value per share (Rs)	10	10

II) Diluted Earning Per Share		
	30.09.2011	30.09.2010
a) Weighted average number of shares considered for calculation (in lakhs)	86.00	86.00
b) Net Profit after tax (in lakhs)	251.56	210.06
c) Diluted Earning per share (b) / (a) in Rs	2.93	2.44
d) Face value per share (Rs)	10	10

10) ADDITIONAL INFORMATION REQUIRES TO BE GIVEN PURSUANT TO PART II OF THE SCHEDULE VI TO THE COMPANIES ACT. 1956.**a) Conservation of Energy:**

For the purpose of conservation of energy, the company has commissioned a device named Power factor, which reduces the consumption of energy. The company has also taken initiative to reduce the power and fuel consumption.

Particulars	For the year Ended 30.09.2011	For the year Ended 30.09.2010
(Rs in lakh)		
b) Expenditure in foreign currency	12.84	11.84
c) Imported and indigenous material consumed		
Imported	Nil	Nil
Indigenous	1004.37	67680.90

d) Quantitative Information

Quantitative and other disclosures as require by the paragraph 3(ii) of Schedule VI to the companies Act 1956 are not provided. The company is engaged in the business of real estate development. The company has applied for obtaining an exemption with regard to the aforementioned disclosures.

11. DIVIDEND FOR PREVIOUS YEAR

The proposed final dividend for the previous year was Rs. 74,80,000. However the shareholders of the Company at the AGM held on 31.03.2011 had not approved the payment of the same. The aforesaid Proposed Dividend has been added back to Reserves during the current year.

12. Previous year figures have been regrouped/ rearranged wherever necessary in the balance sheet.**13. SCHEDULE TO ACCOUNTS**

Schedule I to XVIII form an integral part of the balance sheet and profit & loss account and are duly authenticated.

As per our attached report of even date
For **B.P. Jain & Co.**

Chartered Accountants

sd/-
Devendra Kumar Bhandari
Partner
Membership No.: 208862

For and on behalf of board of directors
For **Arihant Foundations & Housing Limited**

sd/-
Kamal Lunawath
Managing Director

sd/-
Vimal Lunawath
Wholetime Director

sd/-
Kishore Kumar Sahoo
Company Secretary

CHENNAI
29.11.2011

CASHFLOW STATEMENT FOR THE YEAR ENDED 30.09.2011

	Rs.	Rs.
A. CASHFLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and Extraordinary Items		33923260.05
Add: Adjustments for :		
Depreciation	5391673.88	
Miscellaneous Expenditure Writtenoff	25500.00	
Dividend Received	(1425698.99)	
Profit on sale of Shares	(79218.70)	
Interest and Finance Income	(75400769.62)	
Provision for Gratuity	3664284.00	
Interest and Finance Charges	74762811.50	(6938582.07)
Operating Profit Before Working Capital Changes		(40861842.12)
Add: Adjustments for Working Capital Changes		
Decrease in Inventories	190545228.71	
Increase in trade and other receivables	82839537.84	
Increase in Short Term Loans and Advances	(177722828.23)	
Increase in current Liabilities	150295446.72	245957385.04
Cash from Operations before tax and Extraordinary items		286819227.16
Less : Income Tax Paid		(5200000.00)
Cash from Operations before Extraordinary items		281619227.16
Extraordinary items		--
Cash Flow from Operating Activities		281619227.16
B. CASHFLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(5691835.68)	
Dividend Received	1425698.99	
Interest received during the year	75400769.62	
Purchase of Investment	(734295913.42)	
Proceeds from sale of Investment	734211046.77	
Net Cash used in Investing Activities		71049766.28
C. CASHFLOW FROM FINANCING ACTIVITIES		
Repayment of Loans	(418768126.20)	
Proceeds from Issue of equity shares on conversion of Warrants	74760000.00	
Interest & Finance Charges	(74762811.50)	
Net Cash From Financing Activities		(418770937.70)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		(66101944.26)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		107453434.89
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		41351490.63

For and on behalf of board of directors

For **ARIHANT FOUNDATIONS & HOUSING LIMITED**

sd/-

Kamal Lunawath
Managing Director

sd/-

Vimal Lunawath
Whole Time Director

sd/-

Kishore Kumar Sahoo
Company Secretary

Chennai
29.11.2011

AUDITOR'S CERTIFICATE

We have examined the above cash flow statement of Arihant Foundations & Housing Limited for the year ended 30th September 2011. The Statement has been prepared by the Company in accordance with the requirement of Clause 32 of the Listing agreement with stock exchanges and is based on and in agreement with corresponding profit & loss account and Balance Sheet of the Company covered by our report of November 29, 2011 to the members of the Company

As per our report of even date
for **B.P. Jain & Co. Chartered Accountants**

sd/-

Date : 29.11.2011
Place : Chennai

Devendra Kumar Bhandari,
Partner, Membership No.: 208862

(Rs. in thousands)

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARY COMPANIES

Sl No.	Name of Subsidiary Company	Financial Year of the Subsidiary Company ended on	Interest of the Company in the Subsidiary Companies		Net aggregate of Profit/ (Loss) of the Subsidiary Company so far as it concerns the members of Arihant Foundations & Housing Limited at the end of their espective financial years which are			
					Dealt with in the accounts of the Company amounted to		Not dealt with in the accounts of Company amounted to	
					(Rupees in Lacs)			
			Share holding (No. of shares)	Extent of holding (%)	For subsidiary's financial year ended	For previous financial year of subsidiary since it became subsidiary of Arihant Foundations & Housing Limited	For subsidiary's financial year ended	For previous financial year of subsidiary since it became subsidiary of Arihant Foundations & Housing Limited
1.	Varenya Constructions Limited	31.03.2011	50000	100	Nil	Nil	(-) 39.65	0.37
2.	Transperent Heights Real Estate Limited	31.03.2011	50000	100	Nil	Nil	(-) 19.77	0.43
3.	Arihant Griha Limited	31.03.2011	50000	100	Nil	Nil	(-) 11.47	(-) 0.17
4.	Vaikunt Housing Limited	31.03.2011	500000	100	Nil	Nil	(-) 0.22	0.14

For and on behalf of board of directors
For **ARIHANT FOUNDATIONS & HOUSING LIMITED**

sd/-
Kamal Lunawath
Managing Director

sd/-
Vimal Lunawath
Whole Time Director

sd/-
Kishore Kumar Sahoo
Company Secretary

Chennai
29.11.2011

**AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF ARIHANT FOUNDATIONS & HOUSING LIMITED
ON THE CONSOLIDATED FINANCIAL STATEMENTS**

1. We have examined the attached Consolidated Balance Sheet of Arihant Foundations & Housing Limited and its subsidiaries as at 30th September, 2011 and the Consolidated Profit and Loss account and the consolidated Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. We report that, the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, on Consolidated Financial Statements issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Arihant Foundations and Housing Limited and its subsidiaries, joint venture and associates included in the consolidated financial statements.

4. We report that on the basis of information and according to the explanation given to us, and on the consideration of the separate audit report of individual audited financial statements of the Company and its subsidiaries, we are of the opinion that the attached consolidated financial statements, read with notes thereon, give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of Consolidated Balance Sheet, of the Consolidated state of affairs of Arihant Foundations & Housing Limited group as at 30th September 2011,
- b) In the case of consolidated Profit and Loss Account of the consolidated results of operations of the Arihant Foundations & Housing Limited group for the year ended on that date; and
- c) In the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of Arihant Foundations and Housing Limited group for the year ended on that date.

For **B.P.JAIN & CO.**
CHARTERED ACCOUNTANTS

Sd/-
DEVENDRA KUMAR BHANDARI
Partner
Membership No.: 208862

Place: Chennai
Date: 29.11.2011

CONSOLIDATED FINANCIAL STATEMENTS
CONSOLIDATED BALANCE SHEET AS AT 30TH SEPTEMBER 2011

SCHEDULE NO		AMOUNT AS ON 30.09.2011 (12 MONTHS) Rs.		AMOUNT AS ON 30.09.2010 (12 MONTHS) Rs.	
I SOURCES OF FUNDS					
(1) SHARE HOLDER'S FUNDS					
(A) SHARE CAPITAL	I	86000000.00		74800000.00	
(B) RESERVES & SURPLUS	II	1745006530.43	1831006530.43	1436375243.82	1511175243.82
(2) LOAN FUNDS					
(A) SECURED LOANS	III	720559796.61		763786573.76	
(B) UNSECURED LOANS	IV	562248720.10	1282808516.71	840212287.60	1603998861.36
(3) DEFFERED TAX LIABILITY			2451964.86		4434243.00
(4) SHARE APPLICATION MONEY			119000000.00		--
PENDING ALLOTMENT (Refer Note -VI)					
TOTAL			3235267012.00		3119608348.18
II APPLICATION OF FUNDS					
(1) FIXED ASSETS					
a) GROSS BLOCK	V	329940624.28		319794807.60	
Less: DEPRECIATION		36616739.18		29992795.10	
Net Block			293323885.10		289802012.50
(2) INVESTMENTS	VI		83987759.15		100150423.00
(3) CURRENT ASSETS, LOANS & ADVANCES					
(i) CURRENT ASSETS					
a) INVENTORIES	VII	1263000735.07		740583625.85	
b) SUNDRY DEBTORS	VIII	775274979.29		839573279.83	
c) CASH & BANK BALANCE	IX	140850540.51		107831258.93	
(ii) LOANS & ADVANCES	X	2134371541.68		1757857887.60	
		4313497796.55		3445846052.21	
LESS: CURRENT LIABILITIES AND PROVISIONS					
a) CURRENT LIABILITIES	XI	1422224244.23		695514181.96	
b) PROVISIONS	XII	33318184.57		20722457.57	
		1455542428.80	2857955367.75	716236639.53	2729609412.68
(4) MISCELLANEOUS EXPENSES TO THE EXTENT NOT WRITTEN OFF	XIII		--		46500.00
TOTAL			3235267012.00		3119608348.18
Significant accounting policies and notes forming part of accounts		XVIII			

As per our attached report of even date
For **B.P. Jain & Co.**
Chartered Accountants

For and on behalf of board of directors
For **Arihant Foundations & Housing Limited**

sd/-
Devendra Kumar Bhandari
Partner
Membership No.: 208862

sd/-
Kamal Lunawath
Managing Director

sd/-
Vimal Lunawath
Wholesale Director

sd/-
Kishore Kumar Sahoo
Company Secretary

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30.9.2011

	SCHEDULE NO	AMOUNT AS ON 30.09.2011 (12 MONTHS) Rs	AMOUNT AS ON 30.09.2010 (12 MONTHS) Rs
I. INCOME			
(A) INCOME FROM OPERATIONS	XIV	1827755689.25	1397865916.56
(B) OTHER INCOME		170027747.71	58038926.22
TOTAL		1997783436.96	1455904842.78
II. EXPENDITURE			
(A) CONSTRUCTION EXPENSES	XV	1802492270.78	1269910628.93
(B) ADMINISTRATIVE AND ESTABLISHMENT EXPENSES	XVI	94024328.61	57793592.16
(C) INTEREST AND FINANCE CHARGES	XVII	74798985.60	90888981.97
(D) DEPRECIATION		6304794.08	5672695.71
(E) ESTIMATED LOSS ON CONTRACTS		2139149.00	--
		1979759528.07	1424265898.77
PROFIT AFTER DEPRECIATION		18023908.88	31638944.01
CURRENT TAX		11004907.00	6121417.00
DEFERRED TAX		(1982277.82)	4434243.00
PROVISION FOR TAXATION		9022629.18	10555660.00
PROFIT AFTER TAX		9001279.70	21083284.01
ADD BACK PROPOSED DIVIDEND FOR LAST YEAR		7480000.00	
PAYMENT OF DIVIDEND(Previous Year)		--	430000.00
PROPOSED DIVIDEND		8600000.00	7480000.00
BALANCE CARRIED FORWARD TO BALANCE SHEET		7881279.70	13173284.01
Earning Per Share (Basic)		1.05	2.89
Earning Per Share (Diluted)		1.05	2.45
Refer note no. VIII of Schedule XVIII			
Significant accounting policies and notes forming part of accounts	XVIII		

As per our attached report of even date
For **B.P. Jain & Co.**
Chartered Accountants

sd/-
Devendra Kumar Bhandari
Partner
Membership No.: 208862

For and on behalf of board of directors
For **Arihant Foundations & Housing Limited**

sd/-
Kamal Lunawath
Managing Director

sd/-
Vimal Lunawath
Wholetime Director

sd/-
Kishore Kumar Sahoo
Company Secretary

CHENNAI
29.11.2011

CONSOLIDATED SCHEULES TO THE BALANCE SHEET

	AMOUNT AS ON 30.09.2011 (12 MONTHS) Rs.		AMOUNT AS ON 30.09.2010 (12 MONTHS) Rs.	
SCHEDULE - I				
SHARE CAPITAL				
AUTHORISED				
100,00,000 EQUITY SHARES OF RS.10/- EACH		100000000.00		100000000.00
ISSUED, SUBSCRIBED & PAID UP				
86,00,000 EQUITY SHARES OF RS.10/- EACH FULLY PAID UP	86000000.00		74800000.00	
74,80,000 EQUITY SHARES OF RS.10/- EACH FULLY PAID UP		86000000.00		74800000.00
SCHEDULE - II				
RESERVES & SURPLUS				
BALANCE AS PER LAST BALANCE SHEET	88308751.98		88308751.98	
GENERAL RESERVE				
ADD : ADDITIONS DURING THE YEAR	--	88308751.98	--	88308751.98
PROFIT & LOSS ACCOUNT BALANCE	913466498.75		827803207.77	
ADD : ADDITIONS DURING THE YEAR	7881279.70	921347778.45	13173284.07	
SECURITY PREMIUM				
OPENING BALANCE	646870000.00		404500000.00	
ADD SHARES FORFEITED	--		43700000.00	
ADDITION DURING THE YEAR	88480000.00	735350000.00	33970000.00	
11,20,000 CONVERTIBLE WARRANTS OF RS. 89/- EACH (RS. 22.25 PAID UP)		--		482170000.00
		1745006530.43		24920000.00
SCHEDULE - III				
SECURED LOAN				
BANKS	285509464.70		187835750.52	
OTHERS	435050331.91		546403209.24	
INTEREST ACCRUED & DUE (Secured against Mortgage of Property in relavent projects and directors personal guarantee)	--	720559796.61	29547614.00	
				763786573.76
SCHEDULE - IV				
UNSECURED LOANS				
(A) FIXED DEPOSITS	14028560.00		6250313.00	
(B) DIRECTORS	117126352.55		159049073.60	
(C) INTERCORPORATE DEPOSITS	351385346.00		446554344.00	
(D) UNSECURED LOANS - OTHERS	79708461.55	562248720.10	228358557.00	
				840212287.60

SCHEDULE - V FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	BALANCE AS ON 01.10.10	ADDITIONS DURING 01.10.10 to 30.09.11	DELETIONS DURING 01.10.10 to 30.09.11	BALANCE AS AT 30.09.11	BALANCE AS ON 01.10.10	FOR THE PERIOD 01.10.10 to 30.09.11	DELETIONS DURING 01.10.10 to 30.09.11	TOTAL AS ON 30.09.11	AS ON 01.10.10	AS ON 30.09.2011
LAND	172591801.00	--	--	172591801.00	--	--	--	--	172591801.00	172591801.00
BUILDINGS	96557477.00	2265045.50	--	98825522.50	10611182.87	2218121.00	--	12829303.87	85946294.13	85993218.63
VEHICLES	11197537.13	3955024.00	--	15152561.13	3504942.19	1144566.36	--	4649508.55	7692594.94	10503052.58
PLANT & MACHINERY	18992431.47	2975370.68	--	21967802.15	8002569.76	1603716.49	--	9606286.25	10989861.72	12361515.90
FURNITURE & FIXTURES	21322368.50	17300.00	--	21339668.50	8126981.28	1338390.24	--	9465371.52	13195387.22	11874296.98
BOOKS	66269.00	--	--	66269.00	66269.00	--	--	66269.00	--	--
TOTAL	320727884.10	9212740.18	--	329940624.28	30311945.10	6304794.09	--	36616739.19	290415939.00	293323885.09
Previous Year Values	313508654.60	23966883.00	17680730.00	319794807.60	26754369.69	5672695.71	2434270.30	29992795.10	286754284.91	289802012.50

CONSOLIDATED SCHEDULES TO THE BALANCE SHEET

	AMOUNT AS ON 30.09.2011 (12 MONTHS) Rs.		AMOUNT AS ON 30.09.2010 (12 MONTHS) Rs.	
SCHEDULE - VI				
INVESTMENTS				
LONG TERM INVESTMENTS				
<u>TRADE INVESTMENTS</u>				
<u>SHARES IN COMPANIES - UNQUOTED</u>				
(i) Arihant Unitech Reality Projects Ltd.	--		5000000.00	
(500000 Equity Shares of Rs. 10 each fully Paid Up Shares)				
(ii) Escapade Real Estate Pvt. Ltd.	--		11000000.00	
(1100000 Equity Shares of Rs. 10/- each Fully Paid Up)				
(iii) Arihant Indo African Infra Developers & Builders Pvt. Ltd	2032740.00		2032740.00	
(203274 Equity Shares of Rs. 10/- each Fully Paid Up Shares)				
(iv) Heirloom Real Estate Pvt. Ltd.	25000.00		25000.00	
(2500 Equity shares of Rs. 10/- each fully Paid up shares)				
(v) Hills & Vales Real Estate Pvt. Ltd.	--		25000.00	
(2500 Equity shares of Rs. 10/- each fully Paid up shares)				
(vi) North Town Estates Pvt. Ltd.	--		250000.00	
(25000 Equity shares of Rs. 10/- each fully Paid up shares)				
(vii) Viviana Infra Developers Pvt. Ltd	100000.00		--	
(10000 Equity shares of Rs. 10/- each fully Paid up shares)				
<u>DEBENTURES</u>				
Arihant Indo African Infra Developers & Builders Pvt. Ltd.	80734500.00		80734500.00	
(13% 807345 Optionally Redeemable convertible Debentures of Rs. 100/- each)				
<u>QUOTED (FULLY PAID AT COST)</u>				
Happy Homes Profin Ltd.	1.00		1.00	
(44800 equity shares of Rs. 10/- each Fully Paid Up)				
Indotech Transformers Ltd.	89830.00		180830.00	
(691 equity shares of Rs. 130/- each Fully Paid up)				
(Market Value Rs. 79465/-)				
Tata Consultancy Services Ltd.	902352.00		902352.00	
(3600 equity shares of Rs. 1/- each Fully Paid up shares (Market Value Rs.3734280)				
Hindustan Construction Company Ltd.	22766.65		--	
(500 equity shares of Rs. 45.20 each Fully Paid up shares (Market Value Rs.14375)				
IDBI Bank Ltd.	78100.00		--	
(500 shares of Rs. 155.40/- each Fully Paid up shares (Market Value Rs.51275)				
National Savings Certificate	2469.50		--	
		83987759.15		100150423.00

CONSOLIDATED SCHEDULES TO THE BALANCE SHEET

	AMOUNT AS ON 30.09.2011 (12 MONTHS) Rs.		AMOUNT AS ON 30.09.2010 (12 MONTHS) Rs.	
AGGREGATE AMOUNT OF				
Quoted Investment	1093049.65			1083183.00
Un-Quoted Investment	82894709.50			99067240.00
SCHEDULE VII				
INVENTORIES & WORK IN PROGRESS				
(At cost taken, valued and certified by the management)				
STOCK OF CONSTRUCTION	4080292.00		2325389.00	
FINISHED STOCK	246777427.65		218106881.94	
WORK IN PROGRESS	1012143015.42		520151354.91	
		1263000735.07		740583625.85
SCHEDULE VIII				
SUNDRY DEBTORS				
(UNSECURED & CONSIDERED GOOD)				
DEBTS OUTSTANDING FOR A PERIOD MORE THAN SIX MONTHS	674823397.21		478095291.50	
LESS THAN SIX MONTHS	100451582.08		361477988.33	
		775274979.29		839573279.83
SCHEDULE IX				
CASH & BANK BALANCE				
(A) CASH BALANCE ON HAND	7759167.58		5099848.21	
(B) BALANCE WITH SCHEDULED BANKS	124436379.46		90904665.00	
(C) FIXED DEPOSITS WITH SCHEDULED BANK	8654993.48		11826745.66	
		140850540.52		107831258.93
SCHEDULE X				
LOANS & ADVANCES				
UNSECURED CONSIDERED GOOD TO BE RECEIVED IN CASH OR KIND				
(A) SECURITY DEPOSITS	565103942.00		532341525.18	
(B) ADVANCE FOR EXP./CONTRACTORS	1026195636.21		835490821.93	
(C) OTHER DEPOSITS	444994524.82		283306789.27	
(D) PREPAID EXPENSES	363170.50		289530.50	
(E) ADVANCE FOR PURCHASE OF LAND	34451565.00		59451565.00	
(F) TAXES	63262703.15		46977655.72	
		2134371541.68		1757857887.60

CONSOLIDATED SCHEDULES TO THE BALANCE SHEET

	AMOUNT AS ON 30.09.2011 (12 MONTHS) Rs.		AMOUNT AS ON 30.09.2010 (12 MONTHS) Rs.	
SCHEDULE XI				
CURRENT LIABILITIES				
(A) ADVANCE FROM PROJECTS & CUSTOMERS	826639579.52		281010148.98	
(B) OUTSTANDING LIABILITIES	319224047.41		340546841.40	
(C) RENTAL DEPOSITS	25572963.04		24507438.00	
(D) SUNDRY CREDITORS FOR SUPPLIERS	222605064.91		39365183.58	
(E) INVESTOR EDUCATION & PROTECTION FUND	55010.00		55010.00	
(F) OTHER LIABILITIES	28127579.35		10029560.00	
		1422224244.23		695514181.96
SCHEDULE - XII				
PROVISIONS				
(A) PROVISION FOR TAXATION	17013847.73		11554830.73	
(B) PROVISION FOR GRATUITY	4394688.00		350481.00	
(C) PROVISION FOR ESTIMATED LOSS ON CONTRACTS	2139149.00		--	
(D) PROVISION FOR DIVIDEND	9770499.84		8817145.84	
		33318184.57		20722457.57
SCHEDULE - XIII				
MISCELLANEOUS EXPENDITURE				
(A) PRELIMINARY EXPENSES	25500.00		73000.00	
(B) DEFERRED REVENUE EXP	--		20000.00	
	25500.00		93000.00	
LESS: WRITTEN OFF	25500.00		46500.00	
		--		46500.00
SCHEDULE - XIV				
INCOME FROM OPERATION				
(A) SALES	837461272.01		657282364.00	
(B) CLOSING STOCK	4080292.00		2325389.00	
(C) FINISHED GOODS	246777427.65		212106881.94	
(D) WORK IN PROGRESS	739436697.59		526151281.62	
		1827755689.25		1397865916.56
SCHEDULE - XV				
(A) CONSTRUCTION EXPENSES		1802492270.78		1269910628.93

CONSOLIDATED SCHEDULES TO THE BALANCE SHEET

	AMOUNT AS ON 30.09.2011 (12 MONTHS) Rs.		AMOUNT AS ON 30.09.2010 (12 MONTHS) Rs.	
SCHEDULE - XVI				
ADMINISTRATIVE AND ESTABLISHMENT EXPENSES				
A. ADMINISTRATIVE EXPENSES				
AUDIT FEES	820389.34		711435.00	
BANK CHARGES	172081.01		90936.08	
DIRECTORS REMUNERATION	5069792.00		4584395.00	
DONATION	967000.00		548191.00	
ELECTRICITY CHARGES	642102.00		454619.00	
FILING, LEGAL & OTHER FEES	9118779.85		3184161.50	
GENERAL EXPENSES	6685757.05		--	
GRATUITY	3664284.00		350481.00	
MISCELLANEOUS EXPENSES	4335317.48		5831152.03	
INCOME TAX	1023189.50		--	
INSURANCE	289187.00		66293.00	
INTEREST ON TDS	781.00		343.00	
OFFICE MAINTENANCE	1276729.00		332927.00	
LOSS ON SALE OF ASSETS	--		1776059.71	
PRINTING & STATIONERY	1153287.85		822685.50	
PROFESSIONAL CHARGES	4902.95		17649.00	
RENT	4341375.00		3426450.00	
REPAIRS & MAINTENANCE OF BUILDING	21625933.67		16974311.48	
SITTING FEES	68000.00		56000.00	
SHARE REGISTRAR EXPENSES	29490.00		42656.00	
STAFF SALARY	15545515.00		9980338.00	
PF CONTRIBUTION	100302.00		--	
ESI EMPLOYER CONTRIBUTION	15613.00		--	
STAFF WELFARE	4060593.21		491730.00	
SUBSCRIPTION & PERIODICALS	20990.00		22915.00	
TELEPHONE & POSTAGE	1613928.69		1100698.56	
TRAVELLING, CONVEYANCE & FUEL	5603771.51		5090325.00	
		88249092.11		55956752.16
B. SALES PROMOTION				
ADVERTISEMENT EXPENSES	2252798.50		703176.00	
BUSINESS PROMOTION	3475938.00		1107164.00	
		5728736.50		1810340.00
C. PRE-OPERATIVE EXPENSES		46500.00		26500.00
		94024328.61		57793592.16
SCHEDULE XVII				
INTEREST & FINANCIAL CHARGES				
INTEREST	74798985.60		90888981.97	
		74798985.60		90888981.97

SIGNIFICANT ACCOUNTING POLICES AND NOTES TO CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT.

1. SIGNIFICANT ACCOUNTING POLICES:

(A) Principles of consolidation.

- The consolidated financial statements include the financial statements of parent company and its subsidiaries, joint ventures and associates.
- The consolidated financial statements have been prepared by adding line by line each and every item of financial statements of the parent company (Arihant Foundations and Housing Limited) and its subsidiary, joint ventures. During the process of consolidation the inter-company balances and transaction have been eliminated fully in order to avoid the inclusion of unrealized profit and loss.
- Investments in associates have been accounted as per Accounting Standard 23 on "Accounting for Investment in Associates in Consolidated Financial Statement" as issued by the Institute of Chartered Accountants of India. The investment in associates is accounted by following the equity method of accounting as recommended by the AS 23.
- Investment in Joint ventures has been accounted as per Accounting Standard 27 on "Financial Reporting of Interests in Joint Ventures" issued by the Institute of Chartered Accountants of India. Proportional consolidation method has been adopted to account the interest in the joint ventures as recommended by the concerned Accounting Standard.
- No Goodwill / (Capital Reserve) have been recognized in the consolidated financial statements during the process of consolidation.

(B) Basis of presentation

- The consolidated financial statements relate to Arihant Foundations & Housing Limited and its joint venture and associates.
- Notes to these consolidated financial statements are intended to serve as a means of informative disclosure to understand the consolidated position of the Companies.

2. NOTES TO ACCOUNTS:

I. Contingent Liabilities

During the financial year the Holding company Arihant foundations and Housing Limited has received a show cause notice from the service tax department in which they have asked for clarification from the company regarding the differences arises in the computation of service tax for the periods as given below.

Date of Notice	Pertaining to period	Amount
29/11/2010	April 2009 to September 2009	1379844/-

The company has file a writ petition against the above service tax levied by the department and the penalty levied by the service tax department to the tune of Rs 70 lakhs vide court case number-6562 / 2011 before the honorable Madras High Court and the Hich Court has granted a stay until further orders.

II. Share Capital and Share warrants

During the year on 03.02.2011, the Company has allotted 1120000 fully paid up equity shares on preferential basis at Rs.89/- each (including premium of Rs.79/-) to persons forming part of promoter group and a body corporate. These shares were allotted against conversion of outstanding 1120000 convertible equity warrants (out of total 15,50,000 convertible equity warrants originally allotted on 05.08.2009). The said issue of shares resulted in to increase the paid up share capital of the Company from Rs. 7.48 crores to Rs.8.60 crores.

III. The subsidiary companies, joint ventures and associates considered in the consolidated financial statements are:

a) Name of the Subsidiary Companies Incorporated in India		proportion of ownership interest
1. Arihant Griha Ltd		100%
2. Transperent Heights Real Estate Ltd		100%
3. Varenva Constructions Ltd		100%
4. Vaikunt Housing Ltd		100%
b) Name of Joint Ventures and Associates Incorporated in India		
1. Arihant Unitech Realty Projects Ltd		50%
2. North Town Estates Pvt. Ltd		50%
3. Escapade Real Estate Private Ltd		50%
4. Arihant Indo African Infra Developers and Builders Private Limited		26%

5. Arihant Foundations	4%
6. Arihant Foundations & Housing	3%
7. Arihant Heirloom	49.39%

IV. The depreciation is being provided for on straight line method at the rates provided in Schedule XIV to the companies Act 1956.

V. Reserves shown in the consolidated balance sheet represent the share in the respective subsidiary, joint venture and associate Company's retained earnings comprise general reserve and profit and loss account.

VI. Share application money pending allotment shown in the consolidated balance sheet represent 50% of the share application money of Rs. 23.80 Crores which is entirely brought in by Unitech Limited in the JV Company, Arihant Unitech Realty Projects Ltd.

VII. RELATED PARTY DISCLOSURES

Related parties are classified as:

Associates

Arihant Hospitality Chennai Private Limited
Heirloom Real Estate Private Limited

Key Management Personnel

Mr. Kamal Lunawath- Chairman and Managing Director
Mr. Vimal Lunawath- Whole time Director
Mr. Col. A.L Jayabhanu- Whole time Director
Mr. Bharat Jain- Whole time Director

Individuals owning directly or indirectly, an interest in the voting power of the reporting enterprise and relatives of any such individual:

1. Mr. Kamal Lunawath
2. Mr. Vimal Lunawath
3. Mr. A.L Jayabhanu
4. Mr. Bharat Jain
5. Mrs. Snehalatha Lunawath
6. Mrs. Preethi Lunawath
7. Mrs. Kavita Lunawath

Summary of significant related parties transactions carried out in ordinary course of business are as under:

Description	Key management personnel	Entities, relatives of key management personnel and individuals owning directly or indirectly, an interest in the voting power of the reporting enterprise and relatives of any such individual
	Amount (Rs.)	Amount (Rs.)
Receipts	68832818.00 (146235461.00)	12980224 (21761634.00)
Payments	107867948.00 (71055117.00)	2022320.00 (762373.00)
Receipts for shares and warrants	28702500.00 (28702500.00)	
Remuneration paid	5069792.00 (4584395.00)	
Guarantees & Collaterals received	Nil	Nil

VIII. EARNING PER SHARE as required by Accounting Standard 20:

I) Basic Earning Per Share		
	30.09.2011	30.09.2010
a) Weighted average number of shares considered for calculation (in lakhs)	86.00	72.84
b) Net Profit after tax (in lakhs)	90.01	210.83
c) Basic Earnings per share		
(b) / (a) in Rs.	1.05	2.89
d) Face value per share (Rs)	10	10
II) Diluted Earning Per Share		
	30.09.2011	30.09.2010
a) Weighted average number of shares considered for calculation (in lakhs)	86.00	86.00
b) Net Profit after tax (in lakhs)	90.01	210.83
c) Diluted Earnings per share		
(b) / (a) in Rs	1.05	2.45
d) Face value per share (Rs)	10	10

IX. Previous year figures have been regrouped/ rearranged wherever necessary in the balance sheet.

ARIHANT FOUNDATIONS & HOUSING LIMITED
CONSOLIDATED CASHFLOW STATEMENT FOR THE YEAR ENDED 30.09.2011

	Amount (Rs.)	Amount (Rs.)
A.CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/Loss Before Tax and Extraordinary Items		73843132.63
Add : Adjustments for :		
Depreciation	6304794.08	
Miscellaneous Expenditure Written Off	46500.00	
Dividend received	(1544831.19)	
Profit on sale of shares	(79218.70)	
Interest and Finance Charges	(75400769.62)	
Provision for Gratuity	3974916.50	
Share of Profit from Partnership Firm	--	
Miscellaneous Income	--	
Interest and Finance Charges	74792314.00	8093705.08
Operating Profit Before Working capital Changes		81936837.70
Add : Adjustments for Working Capital changes		
Decrease in Inventories	216239759.40	
Decrease in trade and other receivables	81003768.84	
Increase in Short term loans and advances	(438777399.23)	
Increase in current liabilities	427253652.72	285719781.73
Cash From operations before Tax and Extraordinary items		367656619.44
Less:Income Tax Paid		(5221344.00)
Cash from operation before Extraordinary items		362435275.44
Extraordinary Items		(1205747.00)
Cash flow from Operating Activities		361229528.44
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed Assets	(9212740.18)	
Dividend received	1544831.19	
Interest received during the year	75400769.62	
Purchase of Investment	(734295913.42)	
Proceeds from Sale of Investment	743101246.77	
Net cash used in Investing activities		76538193.98
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of loans	(658927994.28)	
Proceeds from Loan	202830298.00	
Increase in capital	45930058.02	
Proceeds from issue of convertible Warrants	74760000.00	
Interest & Finance Charges	(74792314.00)	
Net Cash from Financing Activities		(410199952.26)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		27567770.16
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		113282770.36
CASH & CASH EQUIVALENTS AT THE CLOSE OF THE YEAR		140850540.52

For and on behalf of board of directors

For **ARIHANT FOUNDATIONS & HOUSING LIMITED**

sd/-
Kamal Lunawath
Managing Director

sd/-
Vimal Lunawath
Whole Time Director

sd/-
Kishore Kumar Sahoo
Company Secretary

Chennai
29.11.2011

AUDITOR'S CERTIFICATE

We have examined the above consolidated cash flow statement of Arihant Foundations & Housing Limited for the year ended 30th September 2011. The Statement has been prepared by the Company in accordance with the requirement of Clause 32 of the Listing agreement with stock exchanges and is based on and in agreement with corresponding profit & loss account and Balance Sheet of the Company covered by our report of November 29, 2011 to the members of the Company

As per our report of even date
for **B.P. Jain & Co.**
Chartered Accountants

sd/-
Devendra Kumar Bhandari
Partner,
Membership No.: 208862

Date : 29.11.2011
Place : Chennai

Folio No.....
(to be filled by shareholder)

ARIHANT FOUNDATIONS & HOUSING LIMITED

Chennai

PROXY

I/We

c/o.....

Being a member (s) of ARIHANT FOUNDATIONS & HOUSING LTD hereby appoint

Mr. Mrs.....

c/o.....

failing him / her / Mr. / Mrs.

c/o.....

as my/our proxy to attend and vote for me/us on my/our behalf at the 19th Annual General Meeting of the Company to be held on Friday, 30th March 2012 and any adjournment thereof. As witness my/our hand (s) this 30th day of March, 2012.

Signed by the said Mr/Mrs/Ms.....



Signature

Note : The proxy must be deposited at the Registered Office of the Company at Ankur Manor, 1st Floor, 271, Poonamallee High Road, Kilpauk, Chennai - 600 010, not less than 48 hours before the time of holding the meeting.

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ARIHANT FOUNDATIONS & HOUSING LIMITED

Chennai

ATTENDANCE SLIP

Time & Date : 9.30 a.m. Friday, 30th March, 2012

Place : "ARIHANT AMARA", Old No.60, New No. 49, Poonamallee High Road,
Goparasanallur Village, Poonamallee Taluk, Chennai - 600 056

Full name of the shareholder.....

Full name of the person attending the meeting as Shareholder's Proxy

.....

Folio No.....

Date.....



Signature

