

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance envisages commitment to ensure customer satisfaction through better services and redressal of grievances if any, of all its share holders consistent with fairness to all the stakeholders and with due concern for social responsibility.

2. BOARD OF DIRECTORS

(i) Composition of Board

The Board of Directors of the Company comprises of 8 Directors. There are two Whole-Time Directors and one Managing Director in the category of Executive Directors. The Chairman is also Whole Time Director. There are four Promoter Directors. Three Promoters are Executive Directors and one Promoter is Non Executive Director. The remaining four directors are Non-Executive as well as Independent Directors. There is no nominee director on the Board.

Profile of Directors

Brief details of all the directors, nature of their expertise in specific functional areas and the names of companies in which they hold directorships and memberships / chairmanships of board committees are provided below:

- (a) Shri Govindbhai C Patel, aged 69 years is Chairman and Whole-Time Director of the Company. He is a promoter director of the Company. He is having to his credit more than 46 years of experience in construction, real estate development etc. Mr Patel looks after overall policies, construction, real estate development, procurement etc. As on 31st March, 2007 he held 4959120 shares in the Company. He is a Director and Chairman in Ganesh Plantations Ltd, Ganesh Infotech Ltd, Starnet Software (I) Ltd and Mihika Buildcon Ltd.. He is also a Director and Chairman in 56 Private Limited companies.
- (b) Shri Dipakbhai G Patel, aged 39 years is Vice Chairman and Whole-Time Director of the Company. He is a promoter director of the Company. He possesses wide experience of 16 years in construction, finance, real estate development etc. At present, Mr Patel looks after new projects, quality control, overseas tie up, etc. As on 31st March, 2007 he held 908190 shares in the Company. He is a Director in Ganesh Plantations Ltd, Ganesh Infotech Ltd and Starnet Software (I) Ltd. He is also a Director in 5 Private Limited companies.
- (c) Shri Shekhar G Patel, aged 36 years is Managing Director of the Company. He possesses rich and varied experience of 12 years in construction, marketing, administration, real estate development etc.. At present, Mr Patel looks after day to day affairs of the Company including financé, marketing, administration, recruitment, etc. As on 31st March, 2007 he held 805653 shares in the Company. He is a Director in Ganesh Plantations Ltd, Ganesh Infotech Ltd, and Mihika Buildcon Ltd. He is a Managing Director in Starnet Software (I) Ltd. He is also a Director in 56 Private Limited companies.

- (d) Dr Bharat J Patel, aged 51 years is a Senior Director of the Company. He is a prominent Orthopaedic Surgeon of Ahmedabad. He is practicing as an Orthopaedic Surgeon in Ahmedabad for the last 27 years. He didn't hold any shares in the Company as on 31st March, 2007. He is a Director in Starnet Software (I) Ltd..
- (e) Dr Tarang M Desai, aged 48 years is a Director of the Company. He is a prominent consultant physician of Ahmedabad. As the consultant physician, he possesses more than 20 years of experience. He didn't hold any shares in the Company as on 31st March, 2007. He is not a Director of any other Company.
- (f) Shri Arvindbhai R Nanavati, aged 75 years is a Director of the Company. He is a retired Income Tax Officer. He possesses more than 41 years of experience in administration. He didn't hold any shares in the Company as on 31st March, 2007. He is not a Director of any other Company.
- (g) Shri Inayat S Kadri, aged 53 years is a Director of the Company. He is a fellow member of the Institute of Chartered Accountants of India. He is a director in Associated Hotels Limited, Le Meridien Ltd., Ahmedabad and Associated Micro Tech Ltd.. He is also a director in 4 private limited companies. He didn't hold any shares in the Company as on 31st March, 2007.
- (h) Smt Lalitaben G Patel, aged 62 years is a Director of the Company. She has rich experience in construction and real estate development business. She was holding 380490 shares in the Company as on 31st March, 2007. She is a Director in Ganesh Infotech Ltd and Starnet Software (I) Ltd.

(ii) and (iii) Attendance of each director at the Board meetings and the last AGM and the number of other Board / Committees in which he is a member/ chairman

The details of attendance of each member of the Board with regard to Board meetings and last Annual General Meeting and the number of other Board / committees in which he is a member / Chairman are stated in the table shown hereunder

Names of Directors*	Category of Directors	Attendance Particulars		Number of Directorships in other Public Companies	Committee Memberships / chairmanships of other Companies	
		Board Meeting	Last AGM		Member	Chairman
Shri Govindbhai C Patel	Promoter and Executive	14	No	4	Nil	Nil
Shri Deepak G Patel	Promoter and Executive	14	No	3	Nil	Nil
Shri Shekhar G Patel	Promoter and Executive	14	Yes	4	Nil	Nil
Shri Lalitaben G Patel	Promoter and Non-Executive	14	No	Nil	Nil	Nil
Dr Bharat J Patel	Non-Executive and Independent	No	No	1	Nil	Nil

Dr Tarang M Desai	Non-Executive and Independent	14	Yes	Nil	Nil	Nil
Shri Ashish J Amin	Non-Executive and Independent	13	No	Nil	Nil	Nil
Shri Arvindbhai R Nanavati	Non-Executive and Independent	14	Yes	Nil	Nil	Nil
Smt Lalitaben G Patel	Promoter and Non-Executive	No	No	2	Nil	Nil

* Shri Ashish J Amin passed away on 27/02/2007. In his place, Shri I S Kadri was appointed as director w.e.f. 26/03/2007. Shri B K Patel ceased to be a director of the Company. Smt Lalitaben G Patel was appointed as an Additional Director w.e.f. 25/09/2007.

(iv) Details of Board Meetings held during the year 2006-2007

The details of Board meetings held during the year 2006-2007 are stated in the table shown hereunder

Date of Meeting	No. of Directors Present
24/04/2006	7
27/04/2006	7
10/05/2006	7
31/05/2006	7
18/07/2006	7
28/08/2006	7
30/08/2006	7
16/10/2006	7
30/10/2006	7
16/11/2006	7
15/12/2006	7
29/01/2007	7
12/02/2007	7
15/03/2007	6

(v) Board/ Committee Meetings

The procedures with respect to Board Meetings and the Meetings of the Committees thereof are in total compliance with the requirements of the Companies Act, 1956, the Secretarial Standards (SS-1) prescribed for Board meetings by the Institute of Company Secretaries of India, Listing Agreement with Stock Exchange(s) and other applicable laws and regulations.

(vi) Code of conduct for the Board of Directors and senior management personnel

The Board at its meeting held on 5th December, 2005 has adopted the code of conduct for directors and senior management personnel. This code of conduct is a comprehensive code which is applicable to all directors and senior management personnel. A copy of the code has

been put up on the Company's website www.ganeshhousing.com. The said code has been circulated to all the members of the Board and senior management personnel. The compliance of the said code has been affirmed by them. A declaration signed by the Managing Director is given below.

I hereby confirm that:

"The Company has obtained from all the members of the Board and senior management, affirmation that they have complied with the code of conduct for directors and senior management personnel in respect of the financial year 2006-2007."

Shekhar G. Patel
Managing Director

3. AUDIT COMMITTEE

The Company has an Audit Committee consisting of three Non Executive Independent Directors. Shri I S Kadri is a Chairman of the committee. Being a chartered Accountant, he possesses adequate financial accounting knowledge.

(i) Powers of the Committee

The Committee has the following powers.

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or professional advise.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

(ii) Terms of reference of the Committee

- (a) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- (b) Recommending the appointment, re-appointment and, if required, replacement or removal of statutory auditor, fixation of audit fee and also approval for payment for any other services.
- (c) Reviewing with management the annual financial statements before submission to the board, focusing primarily on ;
 - Any changes in accounting policies and practices.
 - Major accounting entries based on exercise of judgement by management
 - Qualifications in draft audit report
 - Significant adjustments arising out of audit

- The going concern assumption
 - Compliance with accounting standards
 - Compliance with stock exchange and legal requirements concerning financial statements
 - Any related party transaction i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of company at large.
- (d) Reviewing with the management the performance of statutory and internal auditors, the adequacy of internal control systems.

(iii)&(iv) Composition, names of members and Chairman and the details of meetings attended by them

The Audit Committee met five times during the financial year 2006-2007. The names of the members of the Audit Committee, and its Chairman, and details of meetings attended by them are stated hereunder:

Name	Designation	Attendance
Shri Ashish J Amin	Chairman of the committee, Independent and Non-Executive Director	Five
Dr Tarang M Desai	Member of the committee, Independent and Non-Executive Director	Five
Dr Bharat J Patel	Member of the committee, Independent and Non-Executive Director	Five

The Audit Committee has been reconstituted on 27th April, 2007. As Shri Amin has passed away, Shri I S Kadri has been appointed as Chairman of the Committee. Shri Arvindbhai R Nanavati has been appointed as a committee member in place of Dr Bharat J Patel.

The Audit Committee at its meeting held on 25th April, 2007 reviewed the Unaudited Annual Accounts for the year 2006-2007 and recommended the accounts for approval by the Board of Directors. Remuneration of Rs.1100/- per meeting has been fixed by the Board for attending committee meetings by its members w.e.f. 1st October, 2007. The composition of the Committee meets the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement. Shri V R Lalaji is the Secretary of the Audit Committee.

4. REMUNERATION COMMITTEE

The Remuneration Committee has been constituted for performing, inter-alia, the various functions as set out under Clause 49 of the Listing Agreement with the Stock Exchanges.

(i) Terms of reference of the Committee

- (a) Recommend and review the remuneration of Managerial Personnel like Managing Director and Whole Time Directors.
- (b) Recommend and review the remuneration of Non Executive Directors of the Company.

During the financial year 2006-2007 there was no revision in remuneration paid to managerial personnel. Shri Govindbhai C Patel, Shri Dipak G Patel and Shri Shekhar G Patel were paid remuneration of Rs.13,70,000/-, Rs.9,00,000/- and Rs.10,57,500/- respectively during the Financial year 2006-2007. A remuneration of Rs.1100/- per meeting has been fixed by the Board for attending committee meetings by its members w.e.f. 1st October, 2007 by its members.

(ii) & (iii) Composition, names of members and Chairman and the details of meetings attended by them

The Remuneration Committee met twice during the financial year 2006-2007. The names of the members of the Remuneration Committee, its Chairman and the details of meetings attended by them are stated hereunder :

Name	Designation	Attendance
Shri Ashish J Amin	Chairman of the committee, Independent and Non-Executive Director	Two
Dr Tarang M Desai	Member of the committee, Independent and Non-Executive Director	Two
Shri Arvindbhai R Nanavati	Member of the committee, Independent and Non-Executive Director	Two

The Remuneration Committee has been reconstituted on 27th April, 2007. As Shri Amin has passed away, Shri I S Kadri has been appointed as Chairman of the Committee.

5. SHAREHOLDERS'/ INVESTORS' GRIEVANCE COMMITTEE

The Shareholders'/ Investors' Grievance Committee looks into the redressal of Shareholders'/ Investors' Grievances, if any, like Transfer/ Transmission/ Demat of Shares/ Issue of Duplicate Share Certificates/ Non-receipt of Annual Report; etc..

(i) Composition, names of members and Chairman and the details of meetings attended by them

The committee held twenty five meetings during the financial year 2006-2007. The committee whose terms of reference have been specified as per clause 49 of the Listing Agreement consists of:

Name	Designation	Attendance
Shri Ashish J Amin	Chairman of the committee, Independent and Non-Executive Director	Twenty Two
Dr Tarang M Desai	Member of the committee, Independent and Non-Executive Director	Twenty Five
Shri Arvindbhai R Nanavati	Member of the committee, Independent and Non-Executive Director	Twenty Five

The Shareholders'/ Investors' Grievance Committee has been reconstituted on 27th April, 2007. As Shri Amin has passed away, Shri I S Kadri has been appointed as Chairman of the Committee.

(ii) Name and designation of compliance officer

Shri Vijay R Lalaji, Vice President (Legal) & Company Secretary, is the Compliance Officer.

(iii) Details of No. of shareholders' complaints outstanding, received, solved and pending during the year 2006-2007

Number of complaints outstanding as on 01/04/2006	-	Nil
Number of complaints received from the investor from 01/04/2006 to 31/03/2007	-	116
Number of complaints solved to the satisfaction of the Investors as on 31/03/2007	-	115
Number of complaints pending as on 31/03/2007	-	1

6. GENERAL BODY MEETINGS:

(i) Details of location and time where last three Annual General Meetings held :

Meeting	Year	Venue of AGM	Date	Time
13 th	2003-2004	1 st Floor, "Samudra" Nr Klassic Gold Hotel Off C G Road Ellisbridge Ahmedabad-380 006	30/09/2004	3.00 p.m.
14 th	2004-2005	1 st Floor, "Samudra" Nr Klassic Gold Hotel Off C G Road Ellisbridge Ahmedabad-380 006	09/09/2005	3.00 p.m.
15 th	2005-2006	1 st Floor, "Samudra"	27/09/2006	3.00 p.m.

		Nr Klassic Gold Hotel Off C G Road Ellisbridge Ahmedabad-380 006		
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(ii) & (iii) whether any special resolutions passed in the previous Annual General Meetings and whether any such resolution was passed through postal ballot

No Special Resolutions were put through in the last three years' Annual General Meetings.

An Extra Ordinary General Meeting of the Company was convened on 17th January, 2007, wherein special resolutions were passed for Alteration in Articles of Association of the Company, increase in limits for FII Investment and raising resources through issue of securities.

7. DISCLOSURE

(a) Disclosure on materially significant related party transaction i.e. transactions of the Company of material nature with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large:-

- Transactions with related parties as per requirements of Accounting Standard – 18 are disclosed in Notes to Accounts. None of these transactions have potential conflict with interest of the Company at large.
- Independent Directors, who are also Non-executive Directors, do not have any other material pecuniary relationship or transactions with the Company, its promoters, its management, which in the judgment of the Board may affect independence of the judgment of the Directors.

The directors regularly make full disclosures to the Board of Directors regarding nature of their interest in the Companies in which they are directors or members. Full particulars of contract entered with the companies/ partnership firms in which the directors are directly or indirectly concerned or interested are entered in the Register of Contract maintained under Section 301 of the Companies Act, 1956 and the same is placed in every Board meeting for the noting of the directors.

(b) Details of non compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchange or SEBI or any Statutory Authority on any matter related to Capital Markets during the last three years

There were no instances of non-compliance by the Company or Penalties, imposed on the Company by the Stock Exchange/(s) or SEBI or any statutory authority, on any matter related to Capital Markets, during the last three years.

(c) Risk Management

Business risk evaluation and management is an ongoing process within the Company. During the year under review, the Board of Directors reviewed the risk management

and minimization procedure adopted by the Company covering the business operations of the Company.

(d) CEO/ CFO Certification

In terms of revised Clause 49 of Listing Agreement, the certification by CEO and CFO on the financial statements and internal controls relating to financial reporting has been obtained.

8. MEANS OF COMMUNICATION

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|-----|--|---|--|
| (a) | Half yearly report | - | Half yearly report is not sent to shareholders |
| (b) | Quarterly Results | - | Normally quarterly results of the Company are published in Economic Times (English) and Financial Express (Gujarati) |
| (c) | Website where results are displayed | - | www.ganeshhousing.com |
| (d) | Whether it also displays official news release and the presentation made to institutional investors or to the analysts | - | No |
| (e) | Whether Management Discussions & Analysis forms part of Annual Report | - | Yes |

9. GENERAL SHAREHOLDER INFORMATION

A. Date, time and venue of 16th Annual General Meeting

Friday, December 14th, 2007 at 3.00 p.m.

Ganesh Housing Corporation Ltd.
1st Floor, "SAMUDRA"
Nr Klassic Gold Hotel
Off C G Road, Ellisbridge
Ahmedabad – 380 006

B. Financial Calendar (Tentative)

Financial reporting for the quarter/ half year ending September 30, 2007	End of October, 2007
Financial reporting for the quarter ending December 31, 2007	End of January, 2008
Financial reporting for the year ending March 31, 2008	End of April, 2008
Annual General Meeting for the year ending March 31, 2008	End of September, 2008

C. Book Closure Date

10th December, 2007 (Monday) to 14th December, 2007 (Friday)

D. Dividend Payment Date

The Company has already paid Interim Dividend for the financial year 2006-2007. No final dividend is recommended by the Board for the said financial year.

E. Listing on Stock Exchanges :

BOMBAY STOCK EXCHANGE LTD 1ST FLOOR, NEW TRADING RING ROTUNDA BUILDING P J TOWERS DALAL STREET FORT MUMBAI - 400 001
NATIONAL STOCK EXCHANGE OF INDIA LTD. EXCHANGE PLAZA, PLOT NO. C/1, G BLOCK BANDRA-KURLA COMPLEX BANDRA (E) MUMBAI - 400 051

* Listing fees for the financial year 2007-2008 have been paid to the aforesaid Stock Exchanges.

F. Stock Code / Symbol

(i) Bombay Stock Exchange Ltd - 526367
Scrip ID - GANESHSG

Scrip forms part of BSE500 and BSE Small cap index.

(ii) National Stock Exchange Of India Ltd

Company Symbol - GANESHHOUC
ISIN No. Equity shares NSDL/CDSL - INE 460C01014

G. Market Price Data : High, Low during each month in last financial year & H. i.e. 2006-2007 and Performance in comparison to BSE Sensex and NSE during the said year is furnished below:

Month	Company			BSE	
	High (Rs.)	Low (Rs.)	Volume (Nos.)	BSE Sensex (High)	BSE Sensex (Low)
April 2006	142.35	98.25	281455	12102.00	11008.43
May 2006	202.75	145.15	795557	12671.11	9826.91

June 2006	190.85	128.55	474393	10626.84	8799.01
July 2006	144.10	116.65	280036	10940.45	9875.35
August 2006	151.40	116.15	280177	11794.43	10645.99
September 2006	148.75	126.00	180374	12485.17	11444.18
October 2006	207.60	142.90	237969	13075.85	12178.83
November 2006	302.00	211.75	467436	13799.08	12937.30
December 2006	324.10	276.70	492867	14035.30	12801.65
January 2007	407.40	308.95	252792	14325.92	13303.22
February 2007	449.65	337.25	427403	14723.88	12800.91
March 2007	364.00	312.30	196355	13386.95	12316.10

The equity shares of the Company are listed on NSE w.e.f. 2nd March, 2007.

Month	Company			NSE	
	High (Rs.)	Low (Rs.)	Volume (Nos.)	Nifty (High)	Nifty (Low)
March 2007	363.90	326.90	32472	3901.75	3554.50

I. Registrar and Transfer Agents:

M/s.MCS Limited, 101 Shatdal Complex, Opp Bata Show Room, Ashram Road, Ahmedabad – 380 009, Tel.Nos.26582878, 26581296, Fax No.079-26584027.

J. Share Transfer System

Transfers in physical form are lodged with the Company/ Transfer Agent. The Transfer Agent has complete computerized facility for processing the transfer. After verification of the transfers lodged in physical form, the transfer agent prepares a statement of transfers which is reviewed by the Shareholders/Investors Grievances Committee of Directors and if in order, the transfers are approved, once in a fortnight. The share certificates duly transferred are then sent by the transfer agent to the transferees, which completes the transaction. In case of any complaint from shareholder for delay in transfer, the matter is actively followed up by the Company with the transfer agent and the same is resolved to the satisfaction of the shareholder.

K. Distribution of shareholding (As on March 31, 2007)

(a) On the basis of Nominal value of each Share held

Shareholding of Nominal Value of Rs.	No. of shareholders	Percentage to total shareholders	No. of shares held	Percentage to total shares held
Upto 5000	8287	93.94	548363	2.65
5001-10000	218	2.47	162880	0.79
10001-20000	134	1.52	200597	0.97
20001-30000	49	0.56	127584	0.62
30001-40000	19	0.22	66991	0.32
40001-50000	11	0.12	51776	0.25
50001-100000	33	0.37	246861	1.19
100001 and Above	71	0.81	19322028	93.21
TOTAL	8822	100.00	20727080	100.00

(b) On the basis of Category

Category	No. of shares held	Percentage to total shares held
Indian Public	2458331	11.86
Promoters	8310273	40.09
Financial Institutions/ Mutual Funds/ Banks	9133340	44.07
Corporate Bodies	773917	3.73
Non-Resident Indians	51219	0.25
TOTAL	20727080	100.00

L. Dematerialization of Shares and Liquidity

Consequent upon the compulsory demat of the Equity Shares of the Company as notified by SEBI, about 97.33% of the Equity Capital of the Company has been dematerialized as on March 31, 2007. The shares are actively traded on Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. For those shareholders who hold the shares in physical form may contact Depository Participant.

M. Outstanding GDRs/ADRs/Warrants or any Convertible instruments conversion date and likely impact on equity

The Company converted 660000 warrants into equal number of equity shares on 31/05/2007.

N. Plant Locations

The Company is engaged in Construction and real estate Development activities. The Company does not have any plant or factory.

O. Address for Correspondence

All enquiries, clarifications and Correspondence should be addressed to the compliance officer at the following address:

MR VIJAY R LALAJI
Vice President (Legal)
& Company Secretary
Ganesh Housing Corpn. Ltd.
1st Floor, "Samudra"
Nr Klassic Gold Hotel
Off C G Road, Ellisbridge
Ahmedabad – 380 006
Tel. No. 26562345
Fax No. 26421085

P. Compliance Certificate of the Auditors

A Certificate from the Auditors of the Company M/s. Jatin Parikh & Associates, Chartered Accountants, Ahmedabad confirming the compliance with the conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement is annexed to the Directors' Report forming part of the Annual Report. The said certificate has also been forwarded to the Stock Exchanges in India where the securities i.e. equity shares of the Company are listed.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
Ganesh Housing Corporation Limited,
Ahmedabad

We have examined the compliance of conditions of Corporate Governance by Ganesh Housing Corporation Limited. For the year ended 31st March, 2007 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with 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 and representations made by the Directors and management we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the abovementioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that the Registrars and Share Transfer Agents of the company have maintained records to show the Investors Grievances against the Company and have certified that on 31st March, 2007 there were no investor grievances remaining unattended/pending for more than 30 days.

We further state that such compliance is neither an assurance as to the future viability of the Company nor to the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**FOR, JATIN PARIKH & ASSOCIATES
CHARTERED ACCOUNTANTS**

**PLACE:- AHMEDABAD
DATE :- 25/10/2007**

**JATIN PARIKH
PROPRIETOR**