

# CORPORATE GOVERNANCE REPORT

## 1. CORPORATE GOVERNANCE PHILOSOPHY

Corporate Governance is the set of policies, processes and practices governing the affairs of a Company in pursuit of its business goals. Company's philosophy on Corporate Governance stems from its belief that timely disclosures, transparent accounting policies, and a strong and independent Board go a long way in maximizing corporate value. Good governance practices stem from the culture and mindset of the organization and as narrow view is the fancy term for the way in which directors and auditors handle their responsibilities towards shareholders.

Sound Corporate Governance practices and ethical business conduct remain at the core of GHCL's value system. Good corporate governance practices have always been integral part of GHCL's philosophy which is further strengthened by adoption of GHCL's Code of Conduct. As it is firmly believed that implementing best governance practices in its true letter & spirit would ensure efficient conduct of affairs of the Company and maximizing value for all its stakeholders legally, ethically and benefit in the long run, by way of sustained growth and value addition.

## 2. BOARD COMPOSITION & PARTICULARS OF DIRECTORS

### Board Composition

The Company has eight Directors comprising of an Executive Chairman & Whole-time Director, Vice Chairman & Whole-time Director, Managing Director, Non-Executive Director & four Independent Non-Executive Directors. The appointment of four Independent Non-Executive Directors is in conformity with the provisions of Clause 49 of the listing Agreement (s) entered with the Stock Exchange(s) by the Company. There are four Promoter Directors, out of which three are Executive Directors and one of them is Non-Executive Director. The remaining four

Directors are Independent Non-Executive Directors. There is no nominee director on the Board.

### Directors' Profile

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 70 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 47 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, 2008 he held 9430860 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 53 Private Limited companies.
- (b) Shri Dipakbhai G. Patel, aged 40 years is Vice Chairman and Whole-Time Director of the Company. He is a promoter director of the Company. He possesses wide experience of 17 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, 2008 he held 3218830 shares in the Company. He is a Director in Ganesh Plantations Ltd., Ganesh Infotech Ltd., Mihika Buildcon Limited and Starnet Software (I) Ltd. He is also a Director in 53 Private Limited companies.
- (c) Shri Shekhar G. Patel, aged 37 years is Managing Director of the Company. He possesses rich and varied experience of 13 years in construction, marketing, administration, real estate development etc. At present, Mr. Patel looks after day to day affairs of the Company including finance, marketing, administration, recruitment,

- etc. As on 31st March, 2008 he held 3984103 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 53 Private Limited companies.
- (d) Dr. Bharat J. Patel, aged 52 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 28 years. He didn't hold any shares in the Company as on 31st March, 2008. He is a Director in Starnet Software (I) Ltd.
- (e) Dr Tarang M Desai, aged 49 years is a Director of the Company. He is a prominent consultant physician of Ahmedabad. As the consultant physician, he possesses more than 21 years of experience. He didn't hold any shares in the Company as on 31st March, 2008. He is not a Director of any other Company.
- (f) Shri Arvindbhai R. Nanavati, aged 76 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, 2008. He is not a Director of any other Company.

- (g) Shri Inayat S. Kadri, aged 54 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, 2008.
- (h) Smt. Lalitaben G. Patel, aged 63 years is a Director of the Company. She has rich experience in construction and real estate development business. She was holding 1543150 shares in the Company as on 31st March, 2008. She is a Director in Ganesh Infotech Ltd., and Starnet Software (I) Ltd.

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

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships/ Memberships held by them in other companies is given below. Other directorships do not include alternate directorships, directorships of private limited companies, Section 25 companies and Foreign companies.

Name of Director	Position	Attendance Particulars		No. of Directorships in other Public Companies	Committee Memberships/ chairmanships of other Companies	
		Board Meeting	Last AGM		Member	Chairman
Shri Govindbhai C. Patel	Chairman & Whole-time Director	14	No	4	Nil	Nil
Shri Deepak G. Patel	Vice Chairman & Whole-time Director	14	No	4	Nil	Nil
Shri Shekhar G. Patel	Managing Director	14	Yes	4	Nil	Nil
Smt. Lalitaben G. Patel	Promoter and Non-Executive	7	No	2	Nil	Nil
Shri Bimal K. Patel	Promoter and Non-Executive	2	No	Nil	Nil	Nil
Dr. Bharat J. Patel	Non-Executive and Independent	7	No	1	Nil	Nil
Dr. Tarang M. Desai	Non-Executive and Independent	14	Yes	Nil	Nil	Nil
Shri Arvindbhai R Nanavati	Non-Executive and Independent	14	Yes	Nil	Nil	Nil
Shri Inayat Kadri	Non-Executive and Independent	14	No	Nil	Nil	Nil

#### Details of Board Meetings held during the year 2007-2008

The details of Board meetings held during the year 2007-2008 are stated in the table shown hereunder

Sr. No.	Dates of Board Meeting	No. of Directors Present
1	27/04/2007	7
2	04/05/2007	7
3	31/05/2007	6
4	27/07/2007	6
5	06/08/2007	6
6	25/08/2007	6
7	25/09/2007	6
8	25/10/2007	8
9	31/10/2007	8
10	17/12/2007	8
11	04/01/2008	8
12	31/01/2008	8
13	27/02/2008	8
14	26/03/2008	8

#### 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.

#### Code of conduct for the Board of Directors and senior management personnel

In terms of Clause 49 of the Listing Agreement, the Board at its meeting held on 5th December, 2005 has adopted the code of conduct for the Board of Directors and senior management personnel of the Company. 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](http://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 annually. A declaration signed by the Managing Director of the Company forms the part of this Report.

#### DECLARATION BY THE MANAGING DIRECTOR

This is to conform that the Company has adopted a Code of Conduct for its Board Members and the senior management personnel and the same is available on the Company's website.

I confirm that the Company has in respect of the financial year ended March 31, 2008, received from the senior management personnel of the Company and the members of the Board, a declaration of compliance with the Code of Conduct as applicable to them.

Sd/-

Ahmedabad

Date: 28th April, 2008

Shekhar G. Patel

Managing Director

### **3. AUDIT COMMITTEE**

The Board has constituted Audit Committee, comprising of three Independent Non-Executive Directors. Shri I S Kadri, Chartered Accountant is a Chairman of the committee. He possesses adequate financial accounting knowledge. The Constitution of the Audit Committee is in line with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges read with Section 292A of the Companies Act, 1956. Shri Vijay R. Lalaji, Company Secretary is the Secretary to the Audit Committee.

The primary objective of the Audit Committee is to monitor and effectively supervise the Company's financial reporting process with a view to provide accurate, timely and proper disclosures

and the integrity and quality of the financial reporting.

The terms of reference/ powers of the Audit Committee has been specified by the Board of Directors as under:

A. 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.

B. The role of Audit Committee shall include the following:

- i. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements reflect a true & fair position and that sufficient and credible information is disclosed.
- ii. Recommending to the Board, 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.
- iii. Reviewing with management the annual financial statements before submission to the board, focusing primarily on;
  - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
  - Changes, if any, in accounting policies and practices and reason for the same.
  - 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.
- iv. Reviewing, with the management - the quarterly financial statements before submission to the Board for approval & uses /application of funds raised through an issue (public issues, right issues, preferential issues, etc.)
  - v. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
  - vi. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audits.
  - vii. Discussion with internal auditors regarding any significant findings and follow up thereon.
  - viii. Reviewing the findings on any internal investigation by the internal auditors into matters where there is a suspected fraud or irregularity or a failure of internal control systems of material nature and reporting the matter to the Board.

- ix. Discussion with statutory auditors before the audit commences, about the nature and scope of the audit as well as post-audit discussion to ascertain any area of concern.
- x. To look into the reasons for substantial defaults, if any, in the payments to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- xi. To review the functioning of the Whistle Blower mechanism, if and when introduced.
- xii. Carrying out such other function as may be specifically referred to the Committee by the Board of Directors and / or other Committee(s) of Directors of the Company.

C. Information for Review:

- i. Management Discussion and Analysis of financial condition and results of operations.
- ii. Statement of significant related party transactions (as may be defined by the audit committee), submitted by the management.
- iii. Management letters/ letters of internal control weaknesses issued by the statutory auditors.
- iv. Internal audit reports relating to internal control weaknesses.
- v. Appointment, removal and terms of remuneration of the Internal Auditors.

Attendance of each Member of Audit Committee at meetings held during the year

Five audit committee meetings were held during the year on April 25, 2007; July 25, 2007; October 23, 2007; October

29, 2007 and January 29, 2008. The time gap between any two meetings was less than four months. The names of the members of the Audit Committee, and its Chairman, and details of meetings attended by them are stated hereunder:

Name	Designation	No. of meetings	
		Held	Attended
Shri I. S. Kadri	Chairman of the Committee, Independent and Non-Executive Director	5	4
Dr. Tarang M. Desai	Member of the Committee, Independent and Non-Executive Director	5	5
Dr. Bharat J. Patel	Member of the Committee, Independent and Non-Executive Director	5	1
Shri Arvindbhai Nanavati	Member of the Committee, Independent and Non-Executive Director	5	3

SUBSIDIARY COMPANIES:

During the year under review two companies viz. Ganesh Infrastructure (India) Pvt. Ltd., and Yash Organiser Pvt. Ltd., became subsidiaries of our Company. The Financial statements of subsidiary companies were reviewed by the Board of Directors. The minutes of subsidiary companies were placed before the Board. A statement of significant transactions and arrangements entered into by the unlisted subsidiary companies were brought to the attention of Board of Directors.

**4. REMUNERATION COMMITTEE**

The Remuneration Committee has three Independent Non-Executive Directors. The objective of the constitution of the Committee is to recommend and review compensation

plans of the Managerial Personnel and the senior management based on their performance, defined assessment criteria and job responsibilities.

The following are the terms of reference of the Remuneration Committee:

Terms of reference of the Committee

- To review & approve / recommend the remuneration of Managerial Personnel like Managing Director and Whole Time Directors.
- To review & recommend the remuneration policy of Non Executive Directors of the Company.
- To perform such other functions as may be detailed in the Remuneration Committee under Schedule XIII of the Companies Act, 1956.
- To discharge such other functions or exercise such powers as may be delegated to the Committee by the Board from time to time.

During the financial year 2006-2007, remuneration of Rs. 13,70,000/-, Rs.9,00,000/- and Rs.10,57,500/- was paid to Shri Govindbhai C. Patel, Shri Shekhar G. Patel & Shri Dipak G.Patel respectively. There was a revision in remuneration paid to managerial personnel in the financial year 2007-2008 w.e.f. 01/09/2007. Shri Govindbhai C. Patel, Shri Dipak G. Patel and Shri Shekhar G. Patel were paid remuneration of Rs. 41,00,000/-, Rs. 35,25,000/- and Rs. 36,15,000/- respectively during the financial year 2007-2008. Further, the commission of Rs. 50 Lacs has been paid to Shri Govindbhai C. Patel, Chairman and Whole-time Director of the Company calculated as per the provisions of Section 349 & 350 of the Companies Act, 1956.

The Composition and attendance of the members of the Remuneration Committee is as follows:

The Remuneration Committee met twice during the financial year 2007-2008. 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 Inayat S. Kadri	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

**5. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE**

The Shareholders' / Investors' Grievance Committee consists of three Independent Non-Executive Directors. This Committee is specifically responsible for the redressal of Shareholders' / Investors' Grievances related to non-receipt of Annual reports, non-receipt of declared dividend, Transfer/ Transmission/ Demat of Shares/ Issue of Duplicate Share Certificates, etc. The Committee also oversees the performance of the Registrar & Transfer Agents of the Company relating to the Investors' services and recommend measures for improvement.

The Composition, powers, role and terms of reference of the Committee are in accordance with the provisions of Clause 49 of the Listing Agreement(s).

The Terms of Reference

The terms of reference of the Investors' Grievance Committee, inter alia, include the following:

- Investor relations and redressal of shareholdings' grievances in general & relating to non-receipt of dividends, non-receipt of annual reports, etc. in particular.

- Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to by such a Committee.

The Composition and attendance of the members of the Investors' Grievance Committee is as follows:

The committee held twenty four meetings during the financial year 2007-2008. The committee whose terms of reference have been specified as per Clause 49 of the Listing Agreement consists of:

Name	Designation	Attendance
Shri Inayat S. Kadri	Chairman of the Committee, Independent and Non-Executive Director	Twenty Three
Dr. Tarang M. Desai	Member of the Committee, Independent and Non-Executive Director	Twenty Four
Shri Arvindbhai R. Nanavati	Member of the Committee, Independent and Non-Executive Director	Twenty Four
Dr. Bharat J. Patel	Member of the Committee, Independent and Non-Executive Director	One

Name and designation of Compliance Officer

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

Details of complaints received and redressed:

Number of complaints outstanding as on 01/04/2007	-	1
Number of complaints received from the investor from 01/04/2007 to 31/03/2008	-	16
Number of complaints solved to the satisfaction of the Investors as on 31/03/2008	-	17
Number of complaints pending as on 31/03/2008	-	Nil

## 6. GENERAL BODY MEETINGS:

Details of last three Annual General Meetings are as follows:

Year	Date	Time	Venue
2004-2005	September 9, 2005	3.00 p.m.	1st Floor, "Samudra" Nr. Klassic Gold Hotel Off C.G. Road, Ellisbridge Ahmedabad-380 006.
2005-2006	September 27, 2006	3.00 p.m	1st Floor, "Samudra" Nr. Klassic Gold Hotel Off C.G. Road, Ellisbridge Ahmedabad-380 006.
2006-2007	December 14, 2007	3.00 p.m	1st Floor, "Samudra" Nr. Klassic Gold Hotel Off C.G. Road, Ellisbridge Ahmedabad-380 006.

## SPECIAL RESOLUTIONS

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

One Extra Ordinary General Meeting held on 25th March, 2008 wherein the following Ordinary Resolutions were passed:

- To empower the Board of Directors to borrow monies pursuant to Section 293(1) (d) of the Companies Act, 1956 upto Rs. 5000 crores and
- To sell, lease or otherwise dispose of the undertaking of the Company pursuant to Section 293(1) (a) of the Companies Act, 1956.

## POSTAL BALLOTS

No ordinary or special resolutions were passed through a postal ballot for the year ended March 31, 2008.

## 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) Proceeds from public issues, rights issues, preferential issues etc.

We raised Rs. 19.44 crores by issuing 17, 20,000 equity shares of Rs. 10/- each at a premium of Rs. 103/- per share to Non- promoteRs. in May, 2006. Further, we also raised Rs. 227.50 crores through issue of 70,00, 000 equity shares of Rs. 10/- each at a premium of Rs. 315/- per share through Qualified Institutional Placement in February, 2007. Further, we raised Rs. 7.46 crores by issuing 6,60,000 equity shares of Rs. 10/- each at a premium of Rs. 103/- per share through conversion of warrants into equity shares in May, 2007. We state that out of the said proceeds we have utilized Rs. 198.39 crores towards the purposes / objects for which the monies were raised. The remaining amount of Rs. 56.01 crores was lying as Fixed Deposit in a bank as on 31.03.2008.

- (e) Remuneration to Non-Executive Directors:

Non-Executive Directors of the Company are not paid any remuneration except sitting fees for attending Board/ Committee meetings and they even didn't hold any shares and/or convertible instruments.

- (f) CEO/CFO Certification

In terms of revised Clause 49 of Listing Agreement, the certification by Vice Chairman & Whole-time Director & Managing Director has been obtained and the said certification is attached as part of this Report.



## 8. MEANS OF COMMUNICATION

- (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 17th Annual General Meeting  
Saturday, September 27th, 2008 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 and subject to change for the financial year 2008-2009)*

Quarter ending	Release of Results
June 30, 2008	End of July, 2008
September 30, 2008	End of October, 2008
December 31, 2008	End of January, 2009
March 31, 2009	End of April, 2009
Annual General Meeting for the year ending March 31, 2009	End of September, 2009

## C. Date of Book Closure

22nd September, 2008 (Monday) to 27th September, 2008 (Saturday) (Both days inclusive).

## D. Dividend Payment Date

The final dividend, if approved by the shareholders, shall be paid on or after September 27, 2008, within the statutory time limit.

## 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  
MUMBAI – 400 051

Listing fees for the financial year 2008-2009 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:

**The Monthly high /low/and the volume of the Company's shares traded on stock exchanges and the Monthly high / low of the said exchanges are as follows:**

Month	High (Rs.)	Company			BSE	
		Low (Rs.)	Volume (Nos.)	BSE Sensex (High)	BSE Sensex (Low)	
April 2007	347.00	278.00	206822	14383.72	12425.52	
May 2007	376.00	295.55	844533	14576.37	13554.34	
June 2007	430.00	350.00	450956	14683.36	13946.99	
July 2007	503.65	401.00	354801	15868.85	14638.88	
August 2007	460.05	322.00	379194	15542.40	13779.88	
September 2007	508.00	392.00	277946	17361.47	15323.05	
October 2007	638.00	385.00	1161725	20238.16	17144.58	
November 2007	673.00	550.00	308631	20204.21	18182.83	
December 2007	714.90	579.00	688770	20498.11	18886.40	
January 2008	830.00	442.85	1077878	21206.77	15332.42	
February 2008	615.00	425.00	258366	18895.34	16457.74	
March 2008	466.50	274.10	566805	17227.56	14677.24	

Month	High (Rs.)	Company			NSE	
		Low (Rs.)	Volume (Nos.)	Nifty (High)	Nifty (Low)	
April 2007	347.00	281.00	19719	4217.9	3617	
May 2007	386.45	295.00	254282	4306.75	3981.15	
June 2007	435.95	352.00	114108	4362.95	4100.8	
July 2007	585.00	410.00	109834	4647.95	4305.45	
August 2007	485.00	340.00	218111	4532.9	4002.2	
September 2007	504.35	360.00	108623	5055.8	4452.4	
October 2007	638.00	382.05	1379530	5952.25	5000.95	
November 2007	689.00	541.00	195735	6011.95	5394.35	
December 2007	749.00	575.00	672806	6167.75	5676.7	
January 2008	849.00	448.00	808129	6357.1	4448.5	
February 2008	644.95	427.10	162385	5545.2	4803.6	
March 2008	465.00	281.30	263276	5222.8	4468.55	

Pursuant to Clause 4.15.1 of SEBI (Disclosure of Investors Protection) Guidelines 2000, the following promoters' shares to the extent of 34.50% of post issued capital on amalgamation, are lock-in for a period of 3 years i.e upto 2nd March, 2011.

Sr. No.	Name of the Shareholder	Category of Shareholders (Promoters/ Public)	Number of locked-in shares	% of paid up capital
1.	SHRI GOVINDBHAI C. PATEL	Promoter	4471740	13.69
2.	SMT. LALITABEN G. PATEL	Promoter	1162660	3.56
3.	SHRI SHEKHAR G. PATEL	Promoter	3178450	9.73
4.	SHRI DIPAK G. PATEL	Promoter	2310640	7.08
5.	SMT. SAPNA D. PATEL	Promoter	145310	0.44
		Total	11268800	34.50

H. Registrar and Transfer Agents:

M/s. MCS Limited, 101 Shatdal Complex, Opp Bata Show Room, Ashram Road, Ahmedabad – 380 009, Tel. Nos. 079 - 26582878, 26581296, 26584027, Fax No. 079 – 30070678.

I. 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.

J. Distribution of Shareholding (As on March 31, 2008)

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

Shareholding of Nominal Value of Rs.	No. of Share-holders	Percentage to total Share-holders	No. of Shares held	Percentage to total shares held
Upto 5000	9524	94.01	593484	1.82
5001-10000	245	2.42	185265	0.57
10001-20000	146	1.44	210048	0.64
20001-30000	56	0.55	146549	0.45
30001-40000	26	0.26	94028	0.29
40001-50000	12	0.12	56381	0.17
50001-100000	46	0.45	336486	1.03
100001 and Above	76	0.75	31033639	95.03
<b>TOTAL</b>	<b>10131</b>	<b>100.00</b>	<b>32655880</b>	<b>100.00</b>

(b) On the basis of Category

Category	No. of shares held	Percentage to total shares held
Indian Public	2300470	7.04
Promoters	19604073	60.03
FII / Mutual Funds/ Banks	9576347	29.33
Corporate Bodies	1119503	3.43
Non-Resident Indians	55487	0.17
<b>TOTAL</b>	<b>32655880</b>	<b>100.00</b>

K. Dematerialization of Shares and Liquidity

32203097 equity shares were held in the demat form as on 31st March, 2008, constituting 98.61% of the total paid up share capital.

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.

L. 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.

M. Plant Locations

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

N. 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

O. Compliance Certificate of the Auditors

A Certificate from the Auditors of the Company M/s. J.M. 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

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, 2008 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 above mentioned 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, 2008 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 J.M. PARIKH & ASSOCIATES  
CHARTERED ACCOUNTANTS**

**PLACE : AHMEDABAD  
DATE : 27th June, 2008**

**KAUSHAL SHAH  
PARTNER  
MEMBERSHIP NO :127379**

# CEO AND CFO CERTIFICATION

We, Govindbhai C. Patel, Chairman & Whole-time Director and Shekhar G. Patel, Managing Director responsible for the finance function certify that:

- a) We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2008 and to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2008 are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting .Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d)
  - i) There has not been any significant change in internal control over financial reporting during the year under reference.
  - ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
  - iii) We are not aware of any instances during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Ahmedabad,  
27th June, 2008

G. C. Patel  
Chairman

S. G.Patel  
Managing Director