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OHSAS 18001:2007

To BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 ----- <b>Scrip Code: 526367</b>	To National Stock Exchange of India Ltd. Exchange Plaza, Plot No. C/1, G Block Bandra-Kurla Complex Bandra (E) Mumbai - 400 051 ----- <b>Symbol: GANESHHOUC</b>
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**SUB: SUBMISSION OF ANNUAL REPORT FOR THE FINANCIAL YEAR 2018-2019**

Dear Sir,

Pursuant to the provision of Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit a Copy of Annual Report of the Company for the Financial Year 2018-2019.

Thanking you,

Yours faithfully,

**FOR GANESH HOUSING CORPORATION LTD.**

  
**PRITI KAPADIA**  
**COMPANY SECRETARY &**  
**COMPLIANCE OFFICER**

Encl: As Above



GANESH CORPORATE HOUSE

100 ft. Hebatpur-Thaltej Road,  
Nr. Sola Bridge, Off. S.G. Highway,  
Ahmedabad-380 054. Gujarat, India.  
CIN: L45200GJ1991PLC015817

**P** +91 79 6160 8888  
**F** +91 79 6160 8899  
**E** ganesh@ganeshhousing.com  
**W** www.ganeshhousing.com



**ASSESSING  
OPPORTUNITIES.  
EXPANDING THE  
POSSIBILITIES.**

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To get this report online and for any further information, log on to [www.ganeshhousing.com](http://www.ganeshhousing.com)

### Forward-looking statements

The Annual Report may contain, without limitation, certain statements that include words such as "believes", "expects", "anticipates" and words of similar connotation, which would constitute forward-looking statements. Forward-looking statements are not guarantees of future performance and involve risks and uncertainties that may cause actual performance or results to be materially different from those anticipated in these forward-looking statements. The Company is under no obligation to update any forward-looking statements contained herein should material facts change due to new information, future events or otherwise.





# ASSESSING OPPORTUNITIES. EXPANDING THE POSSIBILITIES.

For the real estate industry, it can be said, that 'the times are changing'.

Nationwide implementation of regulatory regimes of Real Estate (Regulation and Development) Act, 2016 (RERA) and Goods and Services Tax (GST) coupled with continuous amendments to strike the right balance; the introduction of favourable regulatory regime and tax incentives to promote the affordable housing segment; and the rising expectations of the new customers have all changed the market dynamics. They are usurping a new era for the industry.

For us at Ganesh Housing, it has been a time to relook at the market and assess opportunities. To relook at our forthcoming projects and align them to emerging demand patterns. To relook at our balance sheet to make it more rewarding and sustainable. For us, it has also been a time for expanding our possibilities.

***Today, we are aligned, focussed and geared for the future markets where we will play a leading role.***

# HIGHLIGHTS OF THE YEAR



## Major Industry Developments

### GST REDUCTION AND TRANSITION PLAN FOR NEW TAX STRUCTURE

GST Council reduced taxes at 5% for under-construction flats and 1% for affordable housing without input tax credit (ITC). All new residential projects after April 1, 2019 would have to follow the new tax rates with a provision of procuring 80% materials from registered dealers. While incomplete projects as on March 31, 2019 have a one-time option of choosing between the old structure (effective rates of 8% or 12% with ITC) or shift to new structure. Projects having up to 15% commercial space will be treated as residential property.

### EXPANSION IN THE DEFINITION FOR AFFORDABLE HOUSING

The scope of affordable housing for availing GST benefits has been extended to flats costing up to ₹ 45 lakhs and measuring 60 sq metres in metros and 90 sq metres in non-metros.

## Gujarat Ownership Flats Redevelopment Bill to unleash mega opportunities

With the President's approval to the amendment in the redevelopment norm in Gujarat, the segment has thrown open immense opportunities. The new Act allows for buildings older than 25 years to go for redevelopment with the consent of 75% of the occupants as against 100% earlier. It is estimated that Ahmedabad has 800 housing societies, of which 700 are older than 25 years. This opens significant redevelopment opportunity. This will be further boosted by GDCR's allowance to purchase additional FSI up to a maximum of 2.7 above the base of 1.8 in old Ahmedabad and 1.2 in new Ahmedabad.

### REDEVELOPMENT OPPORTUNITY IN GUJARAT

**75%**

Consent of 75% occupants required for redeveloping buildings older than 25 years

**FSI PURCHASE**

GDCR to allow FSI purchase up to a maximum of 2.7 at 40% of jantri (land valuation certificate)

**700**

Housing societies in Ahmedabad are older than 25 years





# RERA: AFTERMATH AND THE FUTURE

## RERA brings in new era of transparency and keeps speculative buying on check: Survey

Our Bureau | Mumbai | Updated on May 29, 2019 | Published on May 29, 2019



The Hindu BusinessLine



With the Real Estate Regulatory Authority (RERA) firmly reigning in and prices stabilising, it is the best time to buy property. The new era of transparency brought in by the regulation has also kept speculative buying on check and developers have become cautious in pricing their products, according to a study.

The authority has also ensured that only serious real estate companies remained, while the fly-by-night developers vanished, according to a survey of 50 realtors and analysts across ten major cities including Mumbai, Delhi, Kolkata and Bangalore bybizbuzzindia.com.

As it stands now, 22 states and 6 Union Territories have already notified their RERA rules, out of which 19 states have active online portals, said Anuj Puri, Chairman, Anarock Property Consultants. West Bengal too has an active portal for its own real estate law.

“While buyers have been continuously fretting about the dilution of the rules notified, they are bestowing their faith in the law and coming forward in bulk to raise their complaints against faulty developers for myriad reasons including project delays. For instance, Maha RERA has received as many as 6,631 complaints as of April 30, 2019, out of which the state authority claims to have disposed more than 64 per cent of the complaints,” Puri added.

The Real Estate (Regulation and Development) Act, 2016 was passed by Parliament in March 2016, but its execution started effective in May 2017. It's been two years since the deployment of the RERA across the country and the Centre's aim enforce it in each state is gathering visible momentum. Even the north-eastern states including Manipur, Meghalaya, Mizoram, Nagaland, and Sikkim – which earlier shied away from it – have agreed to officially notify RERA rules soon.

West Bengal is the only state which notified its own real estate law under West Bengal Housing Industry Regulatory Authority (WBHIRA). RERA has ushered in a regime of transparency and accountability and weaned away fly-by-the night developers to a great extent, said Abhinav Joshi, Head of Research for CBRE India.

## RERA progress calls for applause, but there are areas that need to be fixed

Published: May 22, 2019 12:06:18 AM

The RERA progress calls for applause, yet there are areas that need to be fixed. Each and every activity of developers is strictly under the scanner now. Financial Express



The Real Estate (Regulation and Development) Act (RERA), 2016, came into force in its entirety on May 1, 2017.

Kapil Kumar Sharma

The Real Estate (Regulation and Development) Act (RERA), 2016, came into force in its entirety on May 1, 2017. It is seen as a big move to decode the unregulated real estate sector and to introduce regulations to ensure transparency, quality and provide a redressal mechanism to aggrieved buyers.

The RERA progress calls for applause, yet there are areas that need to be fixed. Each and every activity of developers is strictly under the scanner now. Where the underlying concern of the legislature is to afford preventive, ameliorative and remedial measures to a specified segment of the society, the legislation acquires the colour of a benevolent legislation. Such benevolence in spirit and object, which RERA seeks to accomplish, is clear from its features—RERA's umbrage to salvage buyer interests is far-reaching.

– Its purpose is to mandate reporting of projects by developers along with requisite details at the time of registration. Some of these are the list of necessary approvals to develop the project, carpet area of units sold, possession timings, etc. The same is required to be displayed on their websites.

– Developers have to report the progress of construction on their websites. This ensures visibility of the current status of the project, which can enable buyers to make an informed decision about investing in a property. The provision stipulating a defect liability period of three years is another safety valve that ensures that the quality agreed by developers remains intact at the time of delivery of property.

– Developers now require consent from buyers as well as authorities before giving effect to any change. They are also prohibited from transferring the rights in a project before its completion and, therefore, cannot escape their accountability in respect of the units sold to buyers.

– There is an escrow account wherein sale proceeds from buyers are held in reserve. This ensures the funds collected from buyers are expended on development of projects and not on developers' vested business interests. The stringency in withdrawal of funds from the escrow account supplements the above requirement, making it highly regulated.

The Company is front mover in terms of RERA compliance.

Our premium projects viz. Maple Tree and Maple Trade were registered under RERA. As per RERA registration, the said projects were to be completed before 28.02.2019, accordingly, the Company received building use permission for the said projects before time line i.e. on 29.12.2018 for Maple Trade and on 04.01.2019 for Maple Tree.

This shows our commitment to regulatory requirements and also the ability to adapt the changes in regulatory framework.

# CHAIRMAN'S MESSAGE



**MOVING PAST FINANCIAL PERFORMANCE, THE GOOD NEWS IS THAT WE HAVE FULLY COMPLETED OUR MAPLE TREE PROJECT HAVING 1.9 MILLION SQ FT SALEABLE AREA. THE PROJECT HAS RECEIVED APPROVAL FOR OCCUPANCY AND UNITS ARE READY FOR POSSESSION. THIS WILL OFFER THE ADVANTAGE OF NOT ATTRACTING GST. THIS GIVES US IMPETUS TO LIQUIDATE OUR INVENTORY WHICH STANDS AT ₹ 6,463 MILLION AS ON MARCH 31, 2019 AS WELL AS REDUCE DEBT.**

## *Dear Shareholders,*

We have been on a pursuit to make our business more sustainable over the longer run during the last few years. What we recognise amidst this constantly evolving regulatory regime and challenging market scenario is that there is no one strategy that can deliver. We must be more agile and flexible to quickly respond. Therefore, we centred our focus on introspection. We assessed where we stand today and the opportunities that lay ahead. We assessed what our stakeholders expect from us and explored possibilities on how we can deliver on them.

Obviously, this led us to relook at our industry positioning and strategies. There were a few things that we did for a better future. We reddiverted focus from premium projects to affordable housing projects understanding that they would be a drag with the ongoing liquidity crisis prevailing in the market. Instead, we believed that the affordable housing segment would be the next growth driver triggered by the Government's ambitious housing for all programme.

Acting on this strategy, we took the tactical decision of delaying projects anticipating the Government to incentivise the affordable housing segment. Rightly so, the segment has now been provided

infrastructure status and is on top priority. The GST rates for affordable houses have been reduced to 1% without input credit tax. Tax incentives and subsidies are also being offered to financiers and buyers.

While this decision put us in good stead for the future, it did have a short-term hit on our FY 2018-19 performance. Our topline declined by 47% to ₹ 2,672 million and EBITDA by 62% to ₹ 770 million. This was primarily due to deferment of new project launch resulting from constant regulatory amendments and adoption of IND AS 115 i.e. revenue recognition. Our interest cost for the year declined from ₹ 1,005 million to ₹ 917 million. Further, your Company has recommended a dividend of ₹ 0.50 per share subject to shareholders' approval. If approved, this will be your Company's 15th consecutive years of dividend payment to shareholders.

Moving past financial performance, the good news is that we have fully completed our Maple Tree project having 1.9 million sq ft saleable area. The Project has received approval for occupancy and units are ready for possession. This will offer the advantage of not attracting GST. This gives us impetus to liquidate our inventory which stands at ₹ 6,463 million as on March 31, 2019 as well as reduce debt.

## **TARGETING EMERGING OPPORTUNITIES**

We have continued with our strategy of exploring project development opportunities in Chharodi-Tragad and Godhavi regions of Ahmedabad which are upcoming areas and where most of the development is happening.

We are happy to announce that we have achieved financial closure for our upcoming Malabar County 3 and 4 projects in Tragad. We intend to soon commence its construction. Malabar County being one of our most successful and time-tested series of affordable housing projects, offering unmatched value for money proposition, will have strong market demand. In Godhavi, we continue to negotiate with landowners and acquire land bank in patches targeted at developing an integrated township.

We are optimistic of the recent amendment in the Gujarat Flat Ownership Act of 1973 which now allows society older than 25 years to undertake redevelopment with the consent of 75% owners instead of 100% earlier. This opens another potential for redevelopment market. With around 700 housing societies in Ahmedabad older than 25 years, we expect significant opportunities to come under way. In



another landmark event, stringent FSI norm, a key hurdle that barred flat owners to take the redevelopment route was relaxed. Redevelopment under old FSI norms entailed flat owners losing out significant floor space. However, with the modified they are permitted to purchase additional FSI. With this, a housing society that was initially allowed an FSI of 1.8 can now purchase an additional 0.9 FSI. This meant they can actually increase their floor space. This will be a key motivating factor for flat owners to go for redevelopment.

### MOVING FORWARD

As we move forward, we will continue to nurture the core values of trust and transparency that this organisation has always been reputed for. Wealth creation, affordable housing and free cash flow generation will be three key agendas for us.

The Ganesh Group is holding land bank of approximately 620 acres as on March 31, 2019. In the affordable housing, we would be focussed on expediting construction and launches. Our venture into this segment has made our business more robust. It has enabled us to add a new layer of revenue and bring diversity to our business. From catering to one segment, we have now broadened our base to cater lower, middle and upper residential categories as well as commercial categories. We welcome the positive move of GST Council to slash rates and its smart move of removing input credit tax (ITC) from the new residential constructions. This will not only resolve the issues between builders and buyers regarding benefits of ITC not being passed on, but also make the properties more attractive. For generating free cash flows, we would work towards faster

liquidation of inventory and using the funds to repay debts.

I thank all our stakeholders for their support. We are proud of what we have accomplished until now. But I hope this report helps you understand that we are not satisfied with our progress and that we are not standing still. I believe our recent moves will make your Company more resilient and prepared to maximise value creation. I thank the efforts of our employees. I believe it is time for each one of us to bring in renewed passion to work and accelerate our efforts.

Regards,

**Dipakkumar G. Patel**  
*Chairman*







Sea changes constantly and can be challenging for some. For a sailor, it is a great opportunity to learn, achieve and be humble. They do not try to conquer the tides. They strive to keep moving on with the flow. Respecting the elements. Not trying to change the direction of the wind; rather adjusting the sails to reach destination.

Just like the sailor, we at Ganesh Housing view challenges as an opportunity. We welcome every change. We use our experience, learnings and agility to quickly adapt to the scenario and capitalise on the new opportunities it brings us.

CHANGES	OPPORTUNITY FOR GANESH HOUSING
Regulation and taxation changes due to RERA and GST	Leveraging the core value of transparency, timely delivery commitment, quality, innovation and environment friendliness on which the Company is founded to strengthen competitive edge
Market shifting to mid and affordable housing projects due to increased land prices and policy and tax benefits to the segment	Delaying projects to utilize land bank and launching projects into affordable housing segment that is in-demand at the right time with the Government easing policies and taxes and offering subsidies
Drying up of funds to the real estate segment and liquidity crisis	Destressing balance sheet by optimising debt through expediting inventory liquidation, monetising land bank and taking calculated investment decision in new land bank and projects



## CONVERTING OPPORTUNITIES BY EXPLORING POSSIBILITIES

When sailors take existing routes, they often end up where others are. Great reward lies ahead for passionate sailors who continuously explore new route. For them, sea isn't just about reaching the destination, for them it is a means of continuous exploration. They often end up discovering new places and redefining existing routes.

At Ganesh Housing, we are like these passionate sailors, continuously exploring and expanding possibilities to make good of market situations and deliver the evolving needs of customers. We believe this ability of ours to judge the market and responding to it with our agility and flexibility makes us sustainable in the longer run.

### Exploring new possibilities...

In the new emerging market that is driven by the Prime Minister's thrust on Housing for All, we have pivoted towards the affordable housing segment and are making a foray into this sector in a big way.

With a clear belief in Ahmedabad's future, especially the emerging areas, we are in the process of developing an integrated township near Godhavi and are planning to launch new residential projects which will qualify for affordable housing as per new guidelines.

Believing in the redevelopment opportunities in Ahmedabad, we may plan to tap the opportunity for assisting co-operative housing societies and look forward for redevelopment for its members.

With each of these initiatives, we are transforming opportunities into possibilities.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Mr. Dipakkumar G. Patel**  
Chairman & Whole Time Director  
DIN: 00004766

**Mr. Shekhar G. Patel**  
Managing Director  
DIN: 00005091

**Ms. Aneri D. Patel**  
Director  
DIN: 06587573

**Dr. Bharat J. Patel**  
Director  
DIN: 00944269

**Dr. Tarang M. Desai**  
Director  
DIN: 00005100

**Mr. Ashish H. Modi**  
Director  
DIN: 02506019

## COMPANY SECRETARY

**Ms. Priti Kapadia**

## STATUTORY AUDITORS

**M/s. Purnesh R. Mehta & Co.**  
Chartered Accountants  
Ahmedabad  
FRN: 142830W

## INTERNAL AUDITORS

**M/s. J.M. Parikh & Associates**  
Chartered Accountants  
Ahmedabad  
FRN: 118007W

## SECRETARIAL AUDITORS

**Mr. Anand Lavingia [ACS: 26458]**  
Company Secretary  
Ahmedabad

## AUDIT COMMITTEE

**Mr. Ashish H. Modi**  
Chairman

**Dr. Tarang M. Desai**  
Member

**Mr. Shekhar G. Patel**  
Member

## NOMINATION & REMUNERATION COMMITTEE

**Mr. Ashish H. Modi**  
Chairman

**Dr. Tarang M. Desai**  
Member

**Ms. Aneri D. Patel**  
Member

## STAKEHOLDERS' RELATIONSHIP COMMITTEE

**Mr. Ashish H. Modi**  
Chairman

**Dr. Tarang M. Desai**  
Member

**Mr. Shekhar G. Patel**  
Member

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

**Mr. Dipakkumar G. Patel**  
Chairman

**Mr. Shekhar G. Patel**  
Member

**Dr. Tarang M. Desai**  
Member

## BANKERS

**Tamilnad Mercantile Bank Limited**

**ICICI Bank Limited**

**HDFC Bank Limited**

**Axis Bank**

## REGISTERED OFFICE

**Ganesh Corporate House**  
100 Feet Hebatpur-Thaltej Road,  
Nr. Sola Bridge,  
Off S. G. Highway,  
Ahmedabad – 380 054  
Phone: +91-79-6160 8888  
Fax: +91-79-6160 8899  
Website: [www.ganeshhousing.com](http://www.ganeshhousing.com)  
E-Mail: [ganesh@ganeshhousing.com](mailto:ganesh@ganeshhousing.com)  
Dedicated E-mail for Investors:  
[investors@ganeshhousing.com](mailto:investors@ganeshhousing.com)

## REGISTRAR AND SHARE TRANSFER AGENT (RTA)

**MCS Share Transfer Agent Limited**  
101 Shatdal Complex,  
Opp. Bata Showroom, Ashram Road,  
Ahmedabad – 380 009  
Phone: +91-79-26580461, 26580462,  
26580463  
Fax: +91-79-3007 0678  
E-Mail: [mcsstaahmd@gmail.com](mailto:mcsstaahmd@gmail.com)



# Notice

[CIN: L45200GJ1991PLC015817]

NOTICE is hereby given that the **Twenty Eighth Annual General Meeting (AGM)** of the Members of **GANESH HOUSING CORPORATION LIMITED** will be held on **Saturday, 14<sup>th</sup> September, 2019 at 3.00 P.M. at the Registered office** of the Company at: Ganesh Corporate House, 100 Feet Hebatpur – Thaltej Road, Near Sola Bridge, Off. S. G. Highway, Ahmedabad – 380054 to transact the following businesses:

## ORDINARY BUSINESSES:

### 1. To consider and adopt :

- a. The Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2019, together with the Reports of the Board of Directors and Auditors thereon; and
- b. The Audited Consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2019, together with the Report of the Auditors thereon.
2. To declare a dividend on equity shares for the financial year ended 31<sup>st</sup> March, 2019.
3. To appoint a Director in place of Mr. Shekhar G. Patel (DIN: 00005091), who retires by rotation and, being eligible, offers himself for re-appointment.

## SPECIAL BUSINESSES:

4. *To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:*

**“RESOLVED THAT** pursuant to the provisions of Section 148 (3) and other applicable provisions, if any, of the Companies Act, 2013, Companies (Cost Records and Audit) Rules, 2014 and The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s. J. B. Mistri & Co., Cost Accountants, Ahmedabad having Firm Registration No. 6149 appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2019-2020, amounting to ₹ 1,00,000/- (Rupees One Lakh Only) plus GST be and is hereby ratified and confirmed.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

5. *To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:*

**“RESOLVED THAT** pursuant to the provisions of Sections 149(10) and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 as amended by the Companies (Amendment) Act, 2017 (the Act), The Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), the relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (SEBI LODR), Dr. Bharat J. Patel (DIN: 00944269), whose present term of office for five consecutive years as an Independent Director expires on September 14, 2019, and who has given his consent for the re-appointment and has submitted a declaration that he meets the criteria for independence under Section 149 of the Act and the SEBI LODR and is eligible for re-appointment, in respect of whom Notice has been received from a Member under Section 160 of the Act proposing his re-appointment as Director and whose re-appointment has been recommended by the Nomination and Remuneration Committee and by the Board of Directors be and is hereby re-appointed as an Independent Director of the Company, for a second term of five consecutive years with effect from September 14, 2019.”

6. *To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:*

**“RESOLVED THAT** pursuant to the provisions of Sections 149(10) and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 as amended by the Companies (Amendment) Act, 2017 (the Act), The Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), the relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (SEBI LODR), Dr. Tarang M. Desai (DIN: 00005100), whose present term of office for five consecutive years as an Independent Director expires on September 14, 2019, and who has given his consent for the re-appointment and has submitted a declaration that he meets the criteria



for independence under Section 149 of the Act and the SEBI LODR and is eligible for re-appointment, in respect of whom Notice has been received from a Member under Section 160 of the Act proposing his re-appointment as Director and whose re-appointment has been recommended by the Nomination and Remuneration Committee and by the Board of Directors be and is hereby re-appointed as an Independent Director of the Company, for a second term of five consecutive years with effect from September 14, 2019."

7. *To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:*

"**RESOLVED THAT** pursuant to the provisions of Sections 149(10) and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 as amended by the Companies (Amendment) Act, 2017 (the Act), The Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), the relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (SEBI LODR), Mr. Ashish H. Modi (DIN: 02506019), whose present term of office for five consecutive years as an Independent Director expires on September 14, 2019, and who has given his consent for the re-appointment and has submitted a declaration that he meets the criteria for independence under Section 149 of the Act and the SEBI LODR and is eligible for re-appointment, in respect of whom Notice has been received from a Member under Section 160 of the Act proposing his re-appointment as Director and whose re-appointment has been recommended by the Nomination and Remuneration Committee and by the Board of Directors be and is hereby re-appointed as an Independent Director of the Company, for a second term of five consecutive years with effect from September 14, 2019."

8. *To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:*

"**RESOLVED THAT** pursuant to Section 185 and all other applicable provisions of the Companies Act, 2013 read with Companies (Amendment) Act, 2017 and Rules made thereunder as amended from time to time, the consent of the Company be and is hereby accorded to authorize the Board of Directors of the Company (hereinafter referred to as the Board, which term shall be deemed to include, unless the context otherwise required, any committee of the Board or any director or officer(s) authorised by the Board to exercise the powers conferred on the Board under this resolution) advanced/to advance any loan including any loan represented by a book debt, or given/to give any guarantee or provided/to provide any security in connection with any loan taken by any entity which is

a subsidiary except wholly-owned subsidiary or associate or joint venture of the Company or is a person or entity in whom any of the director of the Company is interested up to an aggregate sum of ₹ 200.00 Crores (Rupees Two Hundred Crores Only) per annum in their absolute discretion as deem beneficial and in the interest of the Company, provided that such loans are utilized by the borrowing company for its principal business activities."

"**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution the Board of Directors of the Company be and are hereby authorised to do all acts, deeds and things in their absolute discretion that may be considered necessary, expedient or desirable including any negotiation/re-negotiation/modification/ratification/amendments to or termination thereof, of the subsisting loans/guarantees/security and to settle any queries, difficulties, doubts that may arise with regard to any of the said transactions and severally execute such contracts, agreements, documents and writings and to make such filings, as may be necessary, expedients or desirable for the purpose of giving full effect to this resolution, in the best interest of the Company."

9. *To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:*

"**RESOLVED THAT** pursuant to the provisions of Section 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule V thereto (including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force), Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the recommendation of Board and Nomination and Remuneration Committee of Directors of the Company and in pursuance of the Ordinary Resolution no. 6 passed by the Members at the 26<sup>th</sup> Annual General Meeting of the Company held on 27<sup>th</sup> September, 2017 ("26<sup>th</sup> AGM"), consent of the Members of the Company be and is hereby accorded to ratify and confirm the waiver of the recovery of ₹ 17.09 lakhs being a part of the Minimum Remuneration paid to Mr. Dipakkumar G. Patel (DIN: 00004766), Chairman & Whole-time Director of the Company during the Financial Year 2018-19, as per the terms of his appointment and remuneration approved by the Members by means of Ordinary Resolution at the 26<sup>th</sup> AGM which is within the overall limits approved by them and as per Schedule V to the Act but which exceeded the limits specified under Section 197 of the Act to the extent as aforesaid, due to inadequacy of profits in the said Financial Year; and to the consequential retention thereof by him."

"**RESOLVED FURTHER THAT** the Board of Directors of the Company or Nomination and Remuneration Committee be and are hereby authorized to do all acts, deeds, matters and things as may be deemed necessary and/or expedient in connection therewith or incidental thereto, to give effect to the aforesaid Resolution."

10. *To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:*

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and Schedule V thereto and the Rules made thereunder and Regulation 17(6)(e) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("SEBI LODR") including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force and in furtherance of the Ordinary Resolution no. 6 passed by the Members at the 26<sup>th</sup> Annual General Meeting of the Company held on 27<sup>th</sup> September, 2017 ("26<sup>th</sup> AGM") and pursuant to the recommendations of Nomination and Remuneration Committee of Directors and the Board of Directors of the Company, consent of the Members of the Company be and is hereby accorded and it shall be deemed to have been so accorded, for the payment of remuneration as Minimum Remuneration to Mr. Dipakkumar G. Patel (DIN: 00004766), Chairman & Whole-time Director of the Company during the period of three (3) years commencing from 1<sup>st</sup> April, 2019 and ending on 31<sup>st</sup> March, 2022, on the terms of his appointment and remuneration as approved by the members at the 26<sup>th</sup> Annual General Meeting of the Company and as set out in the Statement annexed hereto and aggregate of which in any of the above financial years may either singly or together with any other managerial personnel may exceed 2.5% or 5% or 10% of Net Profit of the Company as specified in SEBI LODR and Section 197(1) read with other relevant provision of the said Act and in the event of inadequacy or absence of profits in any financial years during the said periods, the remuneration comprising of salary, perquisites, etc. as already approved by the members at the 26<sup>th</sup> AGM be paid as minimum remuneration to Chairman & Whole-time Director and the same is hereby approved, ratified, confirmed and recovery of excess remuneration be waived."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company or Nomination and Remuneration Committee be and is hereby authorised to vary and/or revise the remuneration of the said Chairman & Whole-time Director within the overall limits approved herein and settle any question or difficulty in connection therewith and incidental thereto."

11. *To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:*

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and Schedule V thereto and the Rules made thereunder

and Regulation 17(6)(e) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("SEBI LODR") including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force and in continuation to the Ordinary Resolution no. 5 passed by the Members by way of declaration of results of Postal Ballot on 31<sup>st</sup> July, 2014 and pursuant to the recommendations of Nomination and Remuneration Committee of Directors and the Board of Directors of the Company, consent of the Members of the Company be and is hereby accorded and it shall be deemed to have been so accorded, for the payment of remuneration to Mr. Shekhar G. Patel (DIN: 00005091), Managing Director of the Company, as already approved by the Members of the Company through aforesaid postal ballot results and set out in the Statement annexed hereto, which shall be deemed to form part hereof, as Minimum Remuneration, for the Financial Year 2018-2019 (April 2018 - March 2019) and for the remainder of his tenure in Financial Year 2019-2020 i.e. up to 30<sup>th</sup> June, 2019 and aggregate of which in any of the above financial years, either singly or with any other managerial personnel may exceed 2.5% or 5% or 10% of Net Profit of the Company as specified in SEBI LODR and Section 197(1) read with other relevant provision of the said Act, and the same is hereby approved, ratified, confirmed and recovery of remuneration of ₹ 16.89 lakhs which is within the overall limits of Schedule V for the financial year 2018-2019 be waived."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company or Nomination and Remuneration Committee be and is hereby authorised to vary and/or revise the remuneration of the said Managing Director within the overall limits approved herein and settle any question or difficulty in connection therewith and incidental thereto."

12. *To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:*

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and any other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force and hereinafter collectively referred to as "Act") and Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") (including any statutory modification or re-enactment thereof, for the time being in force) and subject to the limits specified in Schedule V to the said Act and all guidelines issued from time to time and in terms of recommendation of the Nomination and Remuneration Committee and as approved by the Board of Directors, the approval of the Company be and is hereby accorded for re-appointment of Mr. Shekhar G. Patel (DIN: 00005091), as a Managing Director of the Company for a period of Five (5) years with effect from 1<sup>st</sup> July, 2019 whose term shall be liable to retire by rotation under the provisions of the Act."

**"RESOLVED FURTHER THAT** the consent of members of the Company be and is hereby accorded for payment of minimum remuneration in terms of provisions of Section II of Part II of Schedule V of the Companies Act, 2013 to Mr. Shekhar G. Patel, Managing Director of the Company, which may exceed the limits of 2.5% or 5% or 10% of the net profit of the Company as specified under SEBI LODR and Section 197(1) read with other relevant provisions of the Act, for a period not exceeding three (3) years w.e.f. 1<sup>st</sup> July, 2019 during the term of his appointment, as provided under the Statement annexed hereto."

**"RESOLVED FURTHER THAT** the Board of Directors and/or its Committee be and is hereby authorized to alter and vary the terms and conditions of appointment and/or remuneration, subject to the same not exceeding the limits specified under Section 197 read with Schedule V of the Companies Act, 2013 and to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution."

By Order of the Board

**Priti Kapadia**  
Company Secretary

Date: 30<sup>th</sup> May, 2019

Place: Ahmedabad

**Registered Office:**

GANESH CORPORATE HOUSE  
100 Feet Hebatpur-Thaltej Road,  
Nr. Sola Bridge, Off. S. G. Highway  
Ahmedabad - 380 054

**NOTES:**

1. A Statement pursuant to Section 102 of the Companies Act, 2013 relating to Special Businesses to be transacted at the Meeting, is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding Fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. Provided that a member holding ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or any other shareholder.

Proxies, in order to be effective, must be received by the Company at its registered office, not less than 48 hours before the meeting. A proxy so appointed shall not have any right to speak at the meeting. A body corporate being a member shall be deemed to be personally present at the meeting if represented in accordance with the provisions of Section 113 of the Companies Act, 2013. The representative so appointed, has a right to appoint a proxy.

3. The Register of Members and the Share Transfer Books shall remain closed from Saturday, 7<sup>th</sup> September, 2019 to Friday, 13<sup>th</sup> September, 2019 (Both days inclusive) for the purpose of payment of Dividend and 28<sup>th</sup> Annual General Meeting of the Company.
4. The Dividend for the year ended 31<sup>st</sup> March, 2019, if declared at the meeting, will be paid on or after 19<sup>th</sup> September, 2019 to those members of the Company holding shares in physical form, whose names appear on the Register of Members of the Company on Friday, 6<sup>th</sup> September, 2019. In respect of shares held in electronic form, the dividend will be paid to the beneficial owners as per the data made available by National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on Friday, 6<sup>th</sup> September, 2019.
5. All relevant documents referred in the Explanatory Statement shall be open for inspection at the Registered Office of the Company on all working days between 11:00 a.m. to 1:00 p.m. up to the date of 28<sup>th</sup> Annual General Meeting.
6. In case of Joint Holders attending the meeting, only such joint holder who is higher in the order of the name will be entitled to vote.
7. Members are requested to communicate the change in address or bank account details, if any, (i) to the Company's Registrar for physical share accounts and (ii) to their Depository Participants (DPs) in respect of the electronic share accounts.
8. Members are requested to bring their attendance slip along with a copy of Annual Report while attending the Annual General Meeting of the Company and to quote their Folio No./DP ID-Client Id in all correspondence. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a Certified True Copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting along with attendance slip.
9. The Register of Directors and Key Managerial Personnel and their shareholding has been maintained under Section 170 of the Companies Act, 2013. Pursuant to Section 171 of the Companies Act, 2013 the said register will be available for inspection by the members at the AGM.

10. The Annual Report and Notice of 28<sup>th</sup> Annual General Meeting along with the attendance Slip and Proxy Form, is being sent by electronic mode to all members whose email addresses are registered with the Registrar/Depository Participant(s) unless a member has requested for the hard copy of the same. For members who have not registered their email addresses, physical copies of aforesaid documents are sent by the permitted mode. Members may note that this Notice and the Annual Report for the F.Y. 2018-2019 will also be available on the Company's website viz. [www.ganeshhousing.com](http://www.ganeshhousing.com).
11. The route map showing directions to reach the venue of 28<sup>th</sup> Annual General Meeting is annexed.
12. SEBI has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). Members holding shares in physical form are required to submit their PAN details to the Registrar and Share transfer agents.
13. Pursuant to the provisions of Section 108 of Companies Act, 2013 and other applicable rules made there under and under Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility to the Members to exercise their rights to vote by electronic means. The members may cast their vote using electronic voting system from a place other than the venue of the Meeting (remote e-voting).
14. The Company shall provide facility for voting through polling paper at the 28<sup>th</sup> Annual General Meeting of the Company and the members attending the meeting who have not already cast their vote by remote e-voting shall be entitled/allowed to exercise their right at the meeting.
15. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be allowed to cast their vote again.
16. The Company has appointed Mr. Jatin Parikh, Partner of M/s J. M. Parikh & Associates, Practicing Chartered Accountants, Ahmedabad (Firm Registration No. 118007W) to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The member desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereafter.
17. The scrutiniser shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make, not later than three days of conclusion of the meeting, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
18. The results shall be declared on or after 28<sup>th</sup> Annual General Meeting of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's Website i.e. [www.ganeshhousing.com](http://www.ganeshhousing.com) and on the website of CDSL and the same will also be communicated to the Stock Exchanges.
19. The Company has entered into an arrangement with Central Depository Services (India) Limited (CDSL) for facilitating e-voting. The instructions for members for voting electronically are as under:-
- The voting period begins on Tuesday, 10<sup>th</sup> September, 2019 at 9.00 A.M. (IST) and ends on Friday, 13<sup>th</sup> September, 2019 at 5.00 P.M. (IST). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. on 7<sup>th</sup> September, 2019 (Saturday), may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - Click on Shareholders.
  - Now Enter your User ID
    - For CDSL: 16 digits beneficiary ID,
    - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - Next enter the Image Verification as displayed and Click on Login.
  - If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - If you are a first time user follow the steps given below:
- | For Members holding shares in Demat Form and Physical Form |   |
|--|---|
| PAN  | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.</li> </ul> |
| Dividend Bank Details OR Date of Birth (DOB)               | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (d).</li> </ul>  |
18. The results shall be declared on or after 28<sup>th</sup> Annual General Meeting of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's



- (h) After entering these details appropriately, click on "SUBMIT" tab.
- (i) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (j) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (k) Click on the EVSN for "GANESH HOUSING CORPORATION LIMITED".
- (l) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (m) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (n) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (o) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (p) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (q) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (r) **Shareholders can also cast their vote using CDSL's mobile app "m-Voting" available for all mobile users. The m-Voting app is available on Apple, Android, and Windows based Mobile phones. Shareholders may login to "m-Voting" using their e-voting credentials to vote for the company resolution(s).**
- (s) **Note for Non-Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details, User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (t) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
20. Members may note that the above notice will also be available on the Company's Website viz. [www.ganeshhousing.com](http://www.ganeshhousing.com) and also on the website of agency providing e-voting facility viz. Central Depository Services (India) Limited (CDSL) on [www.cdslindia.com](http://www.cdslindia.com).
21. Members are requested to note that dividends that are not claimed within seven (7) years from the date of transfer to the Company's unpaid dividend account will, as per Section 124 of the Act, be transferred to Investor Education and Protection Fund (IEPF). The shares on which dividend remains unclaimed/unpaid for seven (7) consecutive years will be transferred to the IEPF as per Section 124 of the Act and the applicable Rules.
- The following table provides dates on which unclaimed/unpaid dividend and their corresponding shares would become liable to be transferred to the IEPF:

Sr. No.	Financial Year For which dividend declared	Date on which Dividend Declared	Last due date for claiming Unpaid Dividend
1.	2011-12	29/09/2012	28/09/2019
2.	2012-13	31/08/2013	30/08/2020
3.	2013-14	15/09/2014	14/09/2021
4.	2014-15	30/09/2015	29/09/2022
5.	2015-16	30/09/2016	29/09/2023
6.	2016-17	27/09/2017	26/09/2024
7.	2017-18	29/09/2018	28/09/2025

Members who have not yet encashed their dividend warrant(s) for the above financial years, are requested to make their claims before relevant due dates without any delay to the Company or Registrar and Transfer Agents (RTA), MCS Share Transfer Agent Limited. For details of dividend and/or shares already transferred to IEPF and for claiming the same, kindly visit the weblink: <http://www.ganeshhousing.com/dividend.html> or <http://iepf.gov.in/IEPFA/refund.html>

22. SEBI has decided that securities of listed companies can be transferred only in dematerialised form from a cut-off date i.e. 1<sup>st</sup> April, 2019. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form at the earliest.

## EXPLANATORY STATEMENT PURSUANT TO SUB-SECTION (1) OF SECTION 102 OF THE COMPANIES ACT, 2013

### Item No. 4

The Board of Directors of the Company, upon the recommendation of the Audit Committee, has approved the appointment of M/s J. B. Mistri & Co., Cost Auditors, Ahmedabad to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2020 at a remuneration of ₹ 1,00,000/- (Rupees One Lakh Only) plus GST, as applicable, at its meeting held on 30<sup>th</sup> May, 2019.

In pursuance of Section 148 of the Companies Act, 2013, Rule 14 of the Companies (Audit and Auditors) Rules, 2014, read with Companies (Cost Records and Audit) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2020.

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the members.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested financially or otherwise in the resolution set out at Item No. 4 of the Notice.

### Item Nos. 5, 6 and 7

As per the provisions of Sections 149, 152 & Schedule IV of the Companies Act, 2013 read with the relevant Rules thereunder as amended, the Company had appointed Dr. Bharat J. Patel, Dr. Tarang M. Desai and Mr. Ashish H. Modi as Independent Directors as per the requirements of the Companies Act, 2013 at the 23<sup>rd</sup> Annual General Meeting held on 15<sup>th</sup> September, 2014 for a term of five consecutive years.

As the above named Independent Directors shall be completing their first term of appointment upon completion of five years from the date of their appointment viz. 15<sup>th</sup> September, 2014 during the current year, they are eligible for re-appointment for another term of five consecutive years

subject to approval of the Members by Special Resolution. All the above named persons have consented to their re-appointment and confirmed that they do not suffer from any disqualifications which stand in the way of their re-appointment as Independent Directors.

The performance evaluation of the Independent Directors was conducted by the entire Board of Directors (excluding the Director being evaluated) on the basis of a structured questionnaire which was prepared after taking into consideration inputs received from the Directors covering various aspects of the Board's functioning viz. adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

Accordingly, based on the performance evaluation of the Independent Directors, the Nomination & Remuneration Committee and the Board of Directors of the Company at their Meetings held on 29<sup>th</sup> May, 2019 and 30<sup>th</sup> May, 2019, respectively have recommended the re-appointment of the aforesaid persons as Independent Directors for a second term of five consecutive years commencing with effect from 14<sup>th</sup> September, 2019. During their tenure of appointment, they shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013.

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under sub-section 6 of Section 149 of the Act and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board of Directors of the Company has taken on record the said declarations and confirmation submitted by the Independent Directors after undertaking due assessment of the veracity of the same. In the opinion of the Board, they fulfill the conditions for re-appointment as Independent Directors and they are independent of the Management.

The brief profile of all the Directors is mentioned under "Profile of Directors" forming part of this Notice and details of the remuneration paid/payable by way of sitting fees to them are as provided in the Corporate Governance Report forming part of the Annual Report for the year 2018-2019.

The Company has also received notices from a Member under Section 160 of the Companies Act, 2013 (the Act) proposing their re-appointment as Directors.

A copy of the draft letter for re-appointment of the Independent Directors setting out the terms and conditions of their re-appointment is available for inspection by the Members at the Registered Office of the Company during the office hours on all working days other than on Saturdays and Sundays till the date of the Annual General Meeting.

The Board recommends the Resolutions as set out in Item Nos. 5, 6 and 7 of the Notice for approval of the Members as Special Resolutions.

None of the Directors or Key Managerial Personnel of the Company and their relatives other than the concerned Independent Directors are in anyway deemed to be concerned or interested, financially or otherwise, in the Resolutions as set out in Item Nos. 5, 6 and 7 of the Notice.

#### Item No. 8

The Company is expected to render support for the business requirements of other companies in the group, from time to time. However, owing to certain restrictive provisions contained in the Section 185 of the Companies Act, 2013, the Company was unable to extend financial assistance by way of loan, guarantee or security to other entities in the Ganesh Group. In the light of amendments notified effective May 7, 2018, inter-alia replacing the provisions of Section 185 of Companies Act, 2013, the Company with the approval of members by way of special resolution, would be in a position to provide financial assistance by way of loan to other entities in the group or give guarantee or provide security in respect of loans taken by such entities, for their principal business activities. The members may note that board of directors would carefully evaluate proposals and provide such loan, guarantee or security proposals through deployment of funds out of internal resources/accruals and/or any other appropriate sources, from time to time, only for principal business activities of the entities in the Group.

Accordingly, consent of the members is sought by way of a Special Resolution as set out in Item No. 8 of the accompanying Notice. This resolution enables the Board of Directors of the Company to advance loan or provision of guarantee or security to Subsidiaries/Joint Ventures/associates/other Companies/Firms in which Directors are interested directly or indirectly under section 185 of the Companies Act, 2013, and also ratification of existing loans/guarantees/securities given or provided by the Company till date of the said resolution coming into effect, if any. Hence, by the proposed resolution all such transactions are placed for approval/ratification. Moreover, the Company may in the ordinary course of its business provides loans or gives guarantees or securities for the due repayment of any loan and in respect of such loans an interest is charged at a rate not less than

the rate of prevailing yield of one year, three years, five years or ten years Government security closest to the tenor of the loan or may advance loan to its wholly-owned Subsidiary or may provide guarantee to subsidiary in respect of loan made by any bank or financial institution which being exempted transactions shall not be included in the above limits sanctioned by the members.

The Board of Directors recommend the Special Resolution for approval by the members.

All the Directors except for the Independent Directors and their relatives are concerned or interested in the aforesaid resolution, financially or otherwise to the extent of their directorship and/or shareholding. None of the other Key Managerial Personnel of the Company and their relatives are in anyway deemed to be concerned or interested, financially or otherwise, in the Resolutions as set out in Item No. 8 of the Notice.

#### Item Nos. 9 to 11

- 1) As the Members are aware, Mr. Dipakkumar G. Patel (DIN: 00004766), Chairman & Whole-time Director and Mr. Shekhar G. Patel (DIN: 00005091), Managing Director of the Company (collectively referred to as "Managerial Personnel") were re-appointed as a Chairman & Whole-time Director and Managing Director of the Company for a period of five years each with effect from 1<sup>st</sup> October 2017 and 1<sup>st</sup> July, 2014 respectively, by means of Ordinary Resolutions passed by the Members at the 26<sup>th</sup> Annual General Meeting of the Company held on 27<sup>th</sup> September 2017 (26<sup>th</sup> AGM) and declaration of results of Postal Ballot on 31<sup>st</sup> July, 2014 respectively.
- 2) The Terms of their remuneration approved by the Members, inter alia, included payment of "Minimum Remuneration" to the said Managerial Personnel in the event of inadequacy or absence of profits, in any financial year or years during the currency of their tenure, comprising basic salary, perquisites, allowances and benefits etc., as under, subject to requisite approvals under the Act.

**Mr. Dipakkumar G. Patel, Chairman and Whole-time Director**

#### 1. Remuneration:

- i) **Salary:** ₹ 10,00,000/- p.m. with effect from 1<sup>st</sup> October, 2017.
- ii) **Perquisites:** He shall be entitled to the perquisites listed in Categories - A, B & C below.

#### CATEGORY-A:

- a) **Housing:** The expenditure by the Company on hiring furnished accommodation for the Whole-time Director will be subject to a ceiling of 60% of the salary over and above 10% payable by the Whole-time Director.

In case the accommodation is owned by the Company, 10% of the salary of the Whole-time Director shall be deducted by the Company.

In case no accommodation is provided by the Company, the Whole-time Director shall be entitled to House Rent Allowance subject to 60% of the salary.

**Explanation:** The Whole-time Director shall be entitled to reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings, repairs, salaries to drivers, servants, gardeners, cook, security and property tax. Alternatively, the Company may pay directly all such expenses or allowances.

- b) **Medical Reimbursement:** Expenses incurred for the Whole-time Director and his family, in India and abroad.
- c) **Leave Travel Concession:** For the Whole-time Director and his family once in a year whether in India or abroad in accordance with the Rules specified by the Company.
- d) **Club Fees:** Fees of Clubs subject to a maximum of two clubs, excluding admission and life membership fees.
- e) **Personal Accident Insurance:** Premium as per Income Tax Rules.

**Explanation:** For the purpose of Category-A, family means the spouse and dependent children of the Whole-time Director.

#### CATEGORY-B:

The Company's contribution to provident fund, superannuation or annuity fund, to the extent these singly or together are not taxable under the income tax law, gratuity payable shall not exceed half a month's salary for each completed year of service.

#### CATEGORY-C:

Provision of cars for use on Company's business, mobile expenses and expenses of telephone at residence will not be considered as perquisites.

The above perquisites and/or allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules thereunder or any statutory modification(s) or re-enactment thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

#### iii) Commission

The Whole-time Director shall be entitled to a payment of commission at the rate of 1% of Net Profit subject to maximum overall limits prescribed under the Act.

- 2. However, the Whole-time Director shall be entitled to accept salary, perquisites or commission less than the total amount as prescribed above and/or otherwise waive all or any of the above salary, perquisites or commission as he may deem fit.
- 3. The aggregate of Salary, Perquisites and allowances in any one financial year shall not exceed the limits prescribed under Section 197 and other applicable provisions of the Companies Act, 2013, read with Schedule V to the said or relevant provisions of Companies Act, 2013 for the time being in place.
- 4. **Minimum Remuneration:**  
In the event of loss or inadequacy of profit in any financial year during the currency of the tenure of services of the Whole-time Director, the payment of salary, perquisites and other allowances shall be governed by the limits prescribed under Section II of Part II of Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force).
- 5. The Company will reimburse to the Whole-time Director such expenses as he may incur on behalf of the Company.
- 6. The Whole-time Director shall be liable to retire by rotation.
- 7. The Whole-time Director shall not be entitled to receive any sitting fee for attending the meetings of Board of Directors or Committee thereof from the date of his appointment.
- 8. Subject expressly to the provisions of Section 202 of the Companies Act, 2013, the Company shall pay compensation for loss of office, or as consideration for retirement from office or in connection with such loss or retirement.

#### Mr. Shekhar G. Patel, Managing Director

##### Remuneration:

- i) **Salary:** ₹ 10,00,000/- p.m. with effect from 1<sup>st</sup> July, 2014
- ii) **Perquisites and Allowance:**
  - a. **Housing:** Furnished/unfurnished residential accommodation or house rent allowance upto 10% of Salary in lieu thereof.
  - b. **Medical Reimbursement/Allowance:** Reimbursement of actual expense for self and family and/or allowance will be paid as decided by Board of Directors from time to time.
  - c. **Leave Travel Concession/Allowance:** For self and family once in a year, whether in India or abroad in accordance with the Rules specified by the Company or as decided by Board of Directors.



- d. **Club Fees:** Fees of Clubs subject to a maximum of two clubs.
- e. **Personal Accident Insurance:** As per the rules of the Company.
- f. **Reimbursement:** The Managing Director shall be entitled to reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings, repairs, salaries to drivers, servants, gardeners, cook, security and property tax. Alternatively the Company may pay directly all such expenses or allowances.

**Explanation:** The above perquisites and/or allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules made there under or any statutory modification(s) or re-enactment thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

iii) **Other Benefits:**

- a. The Company's contribution to provident fund, superannuation or annuity fund, to the extent these singly or together are not taxable under the income tax law as per the rules of the Company.
- b. Gratuity payable shall be as per the rules of the Company.
- c. **Leave Encashment:** as per the rules of the Company.
- d. Company Car and Telephone: Use of Company's Car, Chauffeur and telephone at the residence for the official purpose as per the rules of the Company.

iv) **Commission:**

The Managing Director shall be entitled to a payment of commission at the rate of 1% of Net Profit, however, the total remuneration by way of salary, perquisites, other allowances and commission shall not exceed 5% of net profit for one such managerial person and if there is more than one such managerial person, 10% for all of them together computed in the manner laid down under section 197 of the Companies Act, 2013.

- 3) As the Members are aware, the Company had been making consistent and adequate profits upto the Financial Year 2017-18. However, there was a drop in the profitability in subsequent year for reasons beyond the control of the Company. As a result, the Company had inadequate profits for the Financial Year 2018-19 as computed in the manner provided under Section 198 of the Companies Act, 2013 for the purpose of payment of Managerial Remuneration

to the Whole-time Director and Managing Director. While the Company continued to make payment of dividends to the Members, no increments were given to the Whole-time Director and Managing Director since the year 2015 onwards. The Company had to therefore pay Minimum Remuneration to them, within the limits as approved by the Members at the time of their re-appointments, which exceeded the limits specified under Section 197 of the Companies Act, 2013.

- 4) Further, the Ministry of Corporate Affairs vide its Notification dated 12<sup>th</sup> September 2018, notified the relevant provisions of the Companies (Amendment) Act, 2017 and Schedule V thereto.

Pursuant to the amended provisions of Section 197(3) of the Act read with Schedule V thereto, if in any Financial Year, the Company has no profits or its profits are inadequate, it can pay remuneration to its Managerial Person in accordance with the provisions of Schedule V to the Act i.e. not exceeding the limits specified under Item (A) of Section II of Part II of the said Schedule: Provided that the remuneration in excess of above limits may be paid if the resolution passed by the Members is a Special Resolution. Moreover, in terms of Schedule V of the Act, such resolutions shall be passed at the general meeting of the Company for a period not exceeding three (3) years.

Pursuant to sub-section (9) and sub-section (10) of Section 197 of the said Act, as so amended, the Company is required to obtain the approval of the Members by means of Special Resolution for waiver of recovery of the excess Remuneration, if any, paid to the Whole-time Director and Managing Director within two (2) years from the date it exceeds the limits and liable for recovery.

- 5) As described in point no. 3 above, the Company had inadequate profits as per Section 198 of the Act for the financial year ended 31<sup>st</sup> March, 2019. Further, the Company paid remuneration to the Whole-time Director and Managing Director of the Company as approved by members at the time of their respective re-appointments at the 26<sup>th</sup> AGM held on 27<sup>th</sup> September, 2017 and by way of declaration of results of Postal Ballot on 31<sup>st</sup> July, 2014 which is in excess of limits. Further, based on the Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2019 and other relevant factors including prevailing market conditions, the Company may not have adequacy of Profits in the F.Y. 2019-2020 ending 31<sup>st</sup> March 2020.
- 6) It is therefore considered desirable to obtain approval of members by way of Special Resolution(s) for the purpose of waiver of recovery of sum refundable being excess remuneration paid by the Company for the F.Y. 2018-2019 (more specifically mentioned in respective resolutions

no. 9 and 11 of the Notice). Further, it is also desirable to obtain fresh approval of Members by way of Special Resolution(s) for payment of minimum remuneration to the said Whole-time Director and Managing Director for F.Y. 2019-2020, in case the Company has inadequacy of Profits for that year.

- 7) Moreover, the term of Mr. Dipakkumar G. Patel, Chairman & Whole-time Director is for a period of five (5) years up to 30<sup>th</sup> September, 2022. As mentioned aforesaid, in case of inadequacy of profits or no profits, the approval of members is obtained for payment of minimum remuneration in excess of limits prescribed under Schedule V of the Act for a period not exceeding three (3) years, it is proposed to pass Special Resolution for payment of remuneration to him for the period commencing from 1<sup>st</sup> April, 2019 and ending on 31<sup>st</sup> March, 2022, more specifically described under resolution no. 10 to the Notice.
- 8) The Nomination and Remuneration Committee and the Board of Directors of the Company at their meetings held on 29<sup>th</sup> May, 2019 and 30<sup>th</sup> May, 2019 respectively, have inter alia, recommended above resolutions for approval of members by means of Special Resolutions.
- 9) Additional information as per Section II of Part II of Schedule V to the Companies Act, 2013, is as set out in Annexure-A hereto.
- 10) Mr. Shekhar G. Patel and Mr. Dipakkumar G. Patel is interested in the said resolutions as Promoters and KMPs to the extent of their directorship and shareholding being not less than 2% of paid up capital. Also, Ms. Aneri D. Patel being related to Mr. Dipakkumar G. Patel as daughter may be deemed to be concerned or interested in the resolution to the extent of her directorship.
- 11) None of the other directors or key managerial personnel or their relative/s is in any way concerned or interested in the proposed resolution as set out in item no. 9, 10 and 11.
- 12) The Board of Directors recommend passing of the Resolutions as Special Resolutions as set out in item no. 9, 10 and 11 of the accompanying notice for the approval of members.

#### Item No. 12

Mr. Shekhar G. Patel (DIN: 00005091) was appointed as Managing Director of the Company w.e.f. 1<sup>st</sup> July, 1994 for a period of 5 years and thereafter was re-appointed as Managing Director from time to time. Lastly, he was re-appointed as Managing Director by the members of the Company pursuant to declaration of results of Postal Ballot on 31<sup>st</sup> July, 2014 for a period of Five (5) years w.e.f. 1<sup>st</sup> July, 2014 till 30<sup>th</sup> June, 2019. Further, as his tenure expires on 30<sup>th</sup> June, 2019, the Nomination and Remuneration Committee at its meeting convened on 29<sup>th</sup> May, 2019 recommended re-appointment of Mr. Shekhar G. Patel as Managing Director of

the Company for a further period of five years with effect from 1<sup>st</sup> July, 2019 on the terms and conditions more particularly mentioned in the above resolution and hereinafter. The Board of Directors at its meeting held on 30<sup>th</sup> May, 2019 also approved the same subject to the approval of members.

Mr. Shekhar G. Patel is a Director on the Board of both the Subsidiaries viz. Gatil Properties Private Limited and Essem Infra Private Limited. He is also holding directorship in Three (3) Companies which is limited by guarantee and Fourteen (14) other Private Limited Companies. He is a member of Audit Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee of the Company.

As on 31<sup>st</sup> March, 2019, he holds 13306662 (27.03%) equity shares of ₹ 10/- each of the Company in his own name and no share is held by him on behalf of any other person for a beneficial purpose.

The re-appointment of Mr. Shekhar G. Patel is appropriate and in the best interest of the Company and that the approval of the members is being sought to the terms, conditions and stipulations thereto including the remuneration payable to him.

The material terms of re-appointment and remuneration are given below:-

#### 1. Remuneration:

- i) **Salary:** ₹ 10,00,000/- p.m. with effect from 1<sup>st</sup> July, 2019
- ii) **Perquisites and Allowance:**
  - a. **Medical Reimbursement/Allowance:** Reimbursement of actual expense for self and family and/or allowance will be paid as decided by Board of Directors from time to time.
  - b. **Personal Accident Insurance:** As per the rules of the Company.
  - c. **Reimbursement:** The Managing Director shall be entitled to reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings, repairs, salaries to drivers, servants, gardeners, cook, security and property tax. Alternatively the Company may pay directly all such expenses or allowances.

**Explanation:** The above perquisites and/or allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules made there under or any statutory modification(s) or re-enactment thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

#### iii) Other Benefits:

- a. Gratuity payable shall be as per the rules of the Company.

- b. **Leave Encashment:** as per the rules of the Company.
- c. **Company Car:** Use of Company's Car and Chauffeur for the official purpose as per the rules of the Company.

iv) **Commission:**

The Managing Director shall be entitled to a payment of commission at the rate of 1% of Net Profit, however, the total remuneration by way of salary, perquisites, other allowances and commission shall not exceed 5% of net profit for one such managerial person and if there is more than one such managerial person, 10% for all of them together computed in the manner laid down under section 197 of the Companies Act, 2013.

- 2. However, the Managing Director shall be entitled to accept salary, perquisites or commission less than the total amount as prescribed above and/or otherwise waive all or any of the above salary, perquisites or commission as he may deem fit.
- 3. The aggregate of Salary, Perquisites and allowances in any one financial year shall not exceed the limits prescribed under Section 197 and other applicable provisions of the Companies Act, 2013, read with Schedule V to the said or relevant provisions of Companies Act, 2013 for the time being in place.
- 4. **Minimum Remuneration:**  
In the event of loss or inadequacy of profit in any financial year during the currency of the tenure of services of the Managing Director, the payment of salary, perquisites and other allowances shall be governed by the limits prescribed under Section II of Part II of Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force).
- 5. The Company will reimburse to the Managing Director such expenses as he may incur on behalf of the Company.
- 6. The Managing Director shall be liable to retire by rotation.
- 7. The Managing Director shall not be entitled to receive any sitting fee for attending the meetings of Board of Directors or Committee thereof from the date of his appointment.

- 8. Subject expressly to the provisions of Section 202 of the Companies Act, 2013, the Company shall pay compensation for loss of office, or as consideration for retirement from office or in connection with such loss or retirement.

During the financial year 2018-2019, Mr. Shekhar G. Patel attended 7 meetings out of total 9 meetings of Board of Directors of the Company. Further, he is a member of Audit Committee, Stakeholder Relationship Committee and Corporate Social Responsibility Committee of the Company.

There is no increase in the existing salary, perquisites, etc. of Mr. Shekhar G. Patel, Managing Director of the Company as compared to his past remuneration. Additional information as per Section II of Part II of Schedule V to the Companies Act, 2013, is as set out in Annexure-A hereto. The brief profile of Mr. Shekhar G. Patel is mentioned under "Profile of Directors" forming part of this Notice.

Mr. Shekhar G. Patel is interested in the said resolution as a Promoter and Managing director (KMP) to the extent of his directorship and shareholding being not less than 2% of paid up capital. Also, Mr. Dipakkumar G. Patel being related to Mr. Shekhar G. Patel as brother may be deemed to be concerned or interested in the resolution as a promoter and whole-time director (KMP) to the extent of his directorship and shareholding being not less than 2% of paid up capital.

None of the other promoter or directors or key managerial personnel or their relative/s is in any way concerned or interested in the proposed resolution as set out in item no. 12.

The Board of Directors recommend passing of the Resolution as a Special Resolution as set out in item no. 12 of the accompanying notice for the approval of members.

By Order of the Board

**Priti Kapadia**  
Company Secretary

Date: 30<sup>th</sup> May, 2019

Place: Ahmedabad

**Registered Office:**

GANESH CORPORATE HOUSE  
100 Feet Hebatpur-Thaltej Road,  
Nr. Sola Bridge, Off. S. G. Highway  
Ahmedabad - 380 054

## Annexure-A

## Additional information as per Section II of Part II of Schedule V to the Companies Act, 2013

<b>I. General Information</b>													
1. Nature of Industry	Real Estate and Construction												
2. Date or expected date of commencement of commercial production	Not applicable (The Company is in existence of operations for more than 27 years)												
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable												
4. Financial performance based on given indicators	<b>Details relating to Financial Year ended 31<sup>st</sup> March, 2019:</b>												
	<table> <tr> <th>Particulars</th><th>₹ In lakhs</th></tr> <tr> <td>Total Income</td><td>10003.34</td></tr> <tr> <td>Operating Profit (Before Interest, Depreciation and Tax) (PBIDT)</td><td>7345.18</td></tr> <tr> <td>Profit Before Depreciation &amp; Tax (PBDT)</td><td>2078.34</td></tr> <tr> <td>Profit Before Tax (PBT)</td><td>1852.23</td></tr> <tr> <td>Profit After Tax (PAT)</td><td>1118.50</td></tr> </table>	Particulars	₹ In lakhs	Total Income	10003.34	Operating Profit (Before Interest, Depreciation and Tax) (PBIDT)	7345.18	Profit Before Depreciation & Tax (PBDT)	2078.34	Profit Before Tax (PBT)	1852.23	Profit After Tax (PAT)	1118.50
Particulars	₹ In lakhs												
Total Income	10003.34												
Operating Profit (Before Interest, Depreciation and Tax) (PBIDT)	7345.18												
Profit Before Depreciation & Tax (PBDT)	2078.34												
Profit Before Tax (PBT)	1852.23												
Profit After Tax (PAT)	1118.50												
5. Foreign Investments or collaboration , if any	Not applicable												
<b>II. Information about the appointee</b>													
1. Background details	<p>Mr. Dipakkumar G. Patel, aged 51, is a Promoter Executive Director and is holding the position of Whole Time Director of the Company since 1<sup>st</sup> October, 2002. After the demise of our former Chairman Late Shri Govindbhai C. Patel, he was appointed as Chairman of the Company w.e.f. 9<sup>th</sup> November, 2009. At present, Mr. Patel looks after overall policies, construction, procurement, new projects, quality control, etc. Mr. Patel is a Director on the Board of Two (2) Subsidiaries and 15 Other Private Limited Companies. He is Chairman of Corporate Social Responsibility Committee.</p> <p>The background of Mr. Shekhar G. Patel is mentioned under "Profile of Directors" forming part of this Notice.</p>												
2. Past Remuneration	Details as given under para 2 of explanatory statement for item no. 9 to 11 and for re-appointment of Mr. Shekhar G. Patel for fresh term as per explanatory statement for item no. 12.												
3. Recognition or awards	Nil												
4. Job profile and his suitability	<p>Mr. Dipakkumar G. Patel possesses extensive experience of over 28 years in construction, finance and real estate development. He administers Company policies, finance, procurement and so on. He truly believes in the Ganesh ethos 'Your Smiles are our Real Estate' and, that building a home parallels to giving a new life to someone. He is also a Philanthropist and strongly believes in giving back to the society. Reputable institutions including CREDAI &amp; Lions Club International have recognized his humanitarian services over the last decade. He founded SHATAYU, an Organ Donation Awareness Initiative in 2004 and continuously strives to spread this awareness among the 1.3 billion Indians.</p> <p>The brief profile of Mr. Shekhar G. Patel is mentioned under "Profile of Directors" forming part of this Notice.</p>												
5. Remuneration Proposed	As mentioned in the Special Resolution(s) given under item no. 9 to 12.												
6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	Remuneration proposed to be given is appropriate and reasonable looking to the trend of the industry, size of the company and profile & position of Chairman & Whole-time Director and Managing Director.												



7.	Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any	Besides the remuneration proposed for Mr. Dipakkumar G. Patel and Mr. Shekhar G. Patel, both of them are interested to the extent of their shareholding in the Company.  Mr. Dipakkumar G. Patel and Mr. Shekhar G. Patel are related as brothers. Further, Mr. Dipakkumar G. Patel is related to Ms. Aneri D. Patel as father.
III.	<b>Other Information</b>	
1.	Reasons of loss or inadequate profits	The company does not envisages any loss, however, it has inadequate Profits, due to <ul style="list-style-type: none"> <li>• The prevailing uncertain economic conditions in real estate industry is putting considerable pressure on profitability;</li> <li>• Constant regulatory changes in Real Estate Industry including Real Estate Regulatory Act, and Goods and Service Tax has widely affected;</li> <li>• Applicability of IND AS 115 Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after April 1, 2018, existing revenue recognition requirements has been replaced;</li> <li>• Even if new project will be launched the profits will be booked on work completion method, hence, to that extent lesser profits or no profits may exists in near future;</li> <li>• The Company had launched a project viz. Maple Tree in premium segment and the said project was executed in its wholly-owned subsidiary. Further, due to regulatory changes the Company was waiting for right time to execute new projects, due to which launching of projects in the Company has been delayed. Hence, to that extent Profits in the standalone financial statements are inadequate.</li> </ul>
2.	Steps taken or proposed to be taken for improvement	The company is continuously analyzing and assessing its position and various operational and financial matrix to ensure profitability in future by planning and execution of residential or commercial projects. Further, the profitability will be affected to the extent of applicability of IND AS 115.
3.	Expected increase in productivity and profits in measurable terms	The Company is continuously on the lookout for adopting new technology in construction. For energy saving, various initiatives have been taken. For new projects pre-cast is considered to reduce labour cost which in turn will reduce the cost of end product. In ultimate analysis profitability will improve considerably.

**Annexure-B****PROFILE OF DIRECTORS**

**Details of Directors proposed to be appointed/re-appointed as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 under Secretarial Standard-2.**

**Dr. Bharat J. Patel (DIN: 00944269):**

Dr. Bharat J. Patel, aged 63 [Birth date: 07/08/1955], is on the Board as an Independent Director of the Company. He is a prominent Orthopedic Surgeon of Ahmedabad. He is practicing as an Orthopedic Surgeon in Ahmedabad for the last 39 years. He has appropriate skills, experience and knowledge in Management Field.

Mr. Bharat J. Patel is a Director in one (1) public Company viz. Bharat Bio Gas Energy Limited. He is not a member or Chairman

of any of the Committees of the Company or in the above public limited Company. Mr. Patel is not related to any of the other directors of the Company. As on 31<sup>st</sup> March, 2019, Mr. Patel neither in his own name nor for any other person on a beneficial basis held any Equity Shares in the Company.

**Dr. Tarang M. Desai (DIN: 00005100):**

Dr. Tarang M. Desai, aged 60 [Birth date: 24/07/1958], is a non-executive Independent Director of the Company. He is M.D. (Post Graduate) practicing as Consultant Physician and has more than 32 Years of experience. He has appropriate skills, experience and knowledge in administration and Management.

Mr. Desai is a Director on the Board of Gatil Properties Private Limited, Subsidiary of Ganesh Housing Corporation Limited. He is member of Audit Committee, Stakeholder Relationship

Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee of the Company. He holds membership in the Audit and Nomination & Remuneration Committee of Gatil Properties Private Limited. Mr. Desai is not related to any of the other directors of the Company. As on 31<sup>st</sup> March, 2019, Mr. Desai neither in his own name nor for any other person on a beneficial basis held any Equity Shares in the Company.

**Mr. Ashish H. Modi (DIN: 02506019):**

Mr. Ashish H. Modi, aged 51 [Birth date: 12/12/1967], is a non-executive Independent Director of the Company. He possesses over 27 years of experience in real estate and infrastructure development business especially road construction.

Mr. Modi is a Director in four (4) public limited companies viz. Vadilal Chemicals Limited, Vadilal Enterprises Limited, Shrenik Limited and Essem Infra Private Limited (wholly-owned subsidiary of Ganesh Housing Corporation Limited). The details of membership or chairmanship of Committees is as under:-

Ganesh Housing Corporation Limited:-

Sr. No.	Name of Committee	Position
1.	Audit Committee	Chairman
2.	Nomination and Remuneration Committee	Chairman
3.	Stakeholder Relationship Committee	Chairman

Other Public Companies:-

Sr. No.	Name of Company	Committee	Position
1.	Essem Infra Private Limited (Subsidiary of Ganesh Housing Corporation Limited) (Unlisted Public Company)	Audit Committee	Member
2.	Essem Infra Private Limited (Subsidiary of Ganesh Housing Corporation Limited) (Unlisted Public Company)	Nomination and Remuneration Committee	Member
3.	Shrenik Limited (SME Listed Company)	Audit Committee	Member
4.	Shrenik Limited (SME Listed Company)	Nomination and Remuneration Committee	Chairman
5.	Shrenik Limited (SME Listed Company)	Corporate Social Responsibility Committee	Member

Mr. Modi is not related to any of the other directors of the Company. As on 31<sup>st</sup> March, 2019, Mr. Modi hold 3000 shares in his own name or for any other person on a beneficial basis held any Equity Shares in the Company.

**Mr. Shekhar G. Patel (DIN: 00005091):**

Mr. Shekhar G. Patel, aged 47 [Birth date: 09/08/1971], is a Promoter and Managing Director of the Company. He has done Civil Engineering. He has been on the Board of Ganesh Housing Corporation Limited since 1994 and has gained experience of more than 2.5 decades in construction and real estate development business. Mr. Patel has had a distinguished career with the Company and administers the overall affairs of the company including finance, marketing and administration. His core strength includes end-to-end project involvement. He understand the business strategy for new projects and leads architectural, construction and execution of Projects in order to transfer strategy into operations.

In noughties, Mr. Patel blaze a trail to total transformation in the area of residential urban housing requirements in lower-middle class segment of Ahmedabad Region. He evolved the concept of "Sukh, Samridhi and Shanti" which focuses on customer satisfaction. He strongly believes in high quality, transparency and strives to provide the "LPV" (Location, Planning & Value) Advantage to customers through each and every project of Ganesh and deems this the biggest USP of the organization.

With his visual perception he led towards expanding the horizons from residential sector to commercial sector and also geared up further for infrastructure development such as integrated township and special economic zone. His visionary efforts strives to create new bench marks and land marks in terms of innovation and values which is reflected in Maple Tree Project - the French Alfresco style open-garden homes concept. He has been a firm believer in corporate intervention in the social sector encompassing CSR and philanthropic activities like education and environment.

Mr. Patel was a former President of CREDAI Gujarat and still associated with the said Institute. Further, he is a Chairman of CREDAI Gujarat and Vice President of CREDAI INDIA and has also served as Treasurer of the CREDAI National Executive Committee in past.

# DIRECTORS' REPORT

**Dear Shareholders,  
Ganesh Housing Corporation Limited,**

Your Directors have pleasure in presenting the Twenty Eighth Annual Report and the Audited Accounts for the Financial Year ended 31<sup>st</sup> March, 2019.

## 1. STANDALONE FINANCIAL RESULTS

(₹ in Lakhs)

Particulars	Year Ended 31-03-2019	Year Ended 31-03-2018
Revenue from Operations	9483.37	20839.43
Other Income	519.97	191.33
<b>Total Income</b>	<b>10003.34</b>	<b>21030.76</b>
Total Expenses	2658.16	8333.87
Earnings Before Interest, Tax and Depreciation	7345.18	12696.89
Less: Finance Cost	5266.84	5737.60
Less: Depreciation	226.11	255.03
<b>Profit before Tax (PBT)</b>	<b>1852.23</b>	<b>6704.27</b>
Less: Current Tax	700.00	2958.68
Less: Deferred Tax	33.73	(161.09)
<b>Profit after Tax (PAT)</b>	<b>1118.50</b>	<b>3906.67</b>
Other Comprehensive Income	0.00	0.00
<b>Total Comprehensive Income for the period</b>	<b>1118.50</b>	<b>3906.67</b>
Opening Balance in Retained Earnings/Profit & Loss	42590.56	39867.05
Add: Transfer from Statement of Profit and Loss	1118.50	3906.67
Total Amount available for appropriation	43709.06	43773.72
<b>Appropriations:</b>		
(a) Transferred to Reserve	0.00	0.00
(b) Dividend on Equity shares	886.09	983.03
(c) Tax on Dividend	182.14	200.12
Closing Balance	42640.84	42590.56

## 2. REVIEW OF OPERATIONS

### Financial performance of the year

The Standalone and Consolidated Financial Statements for the financial year ended 31<sup>st</sup> March, 2019, forming part of this Annual Report, have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs.

During the Year 2018-2019, revenue from operations on standalone basis decreased to ₹ 9483.37 lakhs from ₹ 20839.43 lakhs in previous year. Further, during the year under review the Company booked other income of ₹ 519.97 Lakhs.

Total Expenditure (excluding interest & financial charges and depreciation) of the Company decreased from ₹ 8333.87 lakhs to ₹ 2658.16 lakhs. After providing for interest and financial charges of ₹ 5266.84 lakhs and depreciation of ₹ 226.11 lakhs, the Profit before Tax (PBT) stood at ₹ 1852.23 lakhs and Net Profit after Tax (PAT) at ₹ 1118.50 lakhs.

### Material Changes and Commitments

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year 2018-2019 and the date of this report.

## 3. TRANSFER TO RESERVES

The Company has not transferred any amount to the General Reserve out of the amount available for appropriation.

## 4. DIVIDEND

Your Directors are pleased to recommend a dividend of ₹ 0.50/- (Previous year ₹ 1.80/-) per equity share of ₹ 10/- each for the year ended 31<sup>st</sup> March, 2019. The Dividend on equity shares, if approved by the members at the 28<sup>th</sup> Annual General Meeting of the Company scheduled to be convened on 14<sup>th</sup> September, 2019, would involve a cash outflow of ₹ 246.14 lakhs, excluding dividend distribution tax.

The Register of Members and Share Transfer Books will remain closed from Saturday, 7<sup>th</sup> September, 2019 to Friday, 13<sup>th</sup> September, 2019 (Both days inclusive) for the purpose of payment of Dividend for the financial year ended 31<sup>st</sup> March, 2019.

## 5. FUTURE OUTLOOK

During the year under review two projects viz. Maple Tree and Maple Trade Centre, Near Surdhara Circle, Sal Hospital Road, Thaltej, Ahmedabad have been completed by one of our subsidiary company namely Essem Infra Private Limited. The requisite Building Use Permission has been received for the aforesaid projects.

Your directors have chalked out plans to roll out two projects namely Malabar County 3 and Malabar County 4 at village Tragad, B/h Nirma University, Ahmedabad with total saleable area of 241939 sq. ft. and 276757 sq. ft. respectively.

Due to amendment in Gujarat Flat Ownership Act, 1973, with the consent of 75% owners of society older than 25 years, a developer can undertake the redevelopment. In Ahmedabad, there are around 700 housing societies older than 25 years and the amendment in the aforesaid act has opened up tremendous potential for redevelopment. This State Government is yet to come out with the requisite rules and procedure for implementation of redevelopment of societies.

## 6. FIXED DEPOSITS

Your Company has not accepted any public deposits during the financial year under review and, as such, no amount of principal or interest was outstanding as of the Balance Sheet date.

## 7. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company has Two (2) Subsidiaries viz. Essem Infra Private Limited and Gatil Properties Private Limited as on 31<sup>st</sup> March, 2019. There are no associate companies or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). Moreover, during the year under review, Maheshwari (Thaltej) Complex Private Limited ceased to be subsidiary of the Company w.e.f. 29<sup>th</sup> June, 2018.

During the year, the Board of Directors reviewed the affairs of the subsidiaries. In accordance with Section 129(3) of Companies Act, 2013, Consolidated Financial Statements of the Company and all its subsidiaries in accordance with the relevant accounting standards have been prepared which forms part of the Annual Report. The Consolidated Financial Statement of profit and loss for the financial year 2018-2019 includes profit or loss of ceased subsidiary up to the date of cessation. Further, a statement containing the salient features of the financial statements of its respective subsidiaries in the prescribed format i.e. AOC-1 also forms part of Annual Report.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries, are available on the website of your Company viz. [www.ganeshhousing.com](http://www.ganeshhousing.com).

## 8. EMPLOYEES STOCK OPTIONS SCHEME

The Company had rolled out the Employees Stock Option Scheme ("ESOP 2010") in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("the SEBI Guidelines") in the year 2010. The Company allocated 1500000 stock options for conversion into equity shares under the said Scheme to the employees of the Company and its subsidiaries. Further, Nomination and Remuneration Committee has been empowered with regard to administration and monitoring of the ESOP 2010. No employee has been issued share options, equal to or exceeding 1% of the issued capital of the Company at the time of grant.



The Nomination and Remuneration Committee at its meeting held on 1<sup>st</sup> November, 2010, granted total 9,98,815 options which was vested not earlier than 1 year and in the ratio of 20% - 20% - 20% - 20% over the next five years from 1<sup>st</sup> November, 2011 onwards. The said options were vested at an exercise price of ₹ 171/- and the exercise period of the options were fixed as 3 years from the date of vesting of options. Thereafter, no grant was made under ESOP 2010 Scheme and only Grant-I was existing.

Further, in the year 2016, the Company declared bonus issue at the ratio of 1:2 i.e. one equity share each against every two equity shares held. Accordingly, as per the terms of ESOP Scheme, the options vested got increased in proportion of bonus and the price of option was reduced proportionately. Thereafter, the exercise price of the option was arrived at ₹ 114/-. During the term of ESOP Scheme, the options were exercised once in the financial year 2014-2015 and seven times in the financial year 2017-2018. Further, over a period of time certain options were cancelled due to retirement, resignation, death, etc. and certain options got lapsed on the completion of period of 3 years from date of vesting as the same were not exercised by the employees. Accordingly, for the options vested in 5<sup>th</sup> year, the last date for exercise of options was 1<sup>st</sup> November, 2018. Hence, 44,821 options vested and outstanding due to non-exercise got lapsed on said date. Thus, all these options, cancelled and lapsed over a period of time, were transferred to pool account of options.

As per the terms of ESOP 2010 Scheme, the said scheme shall continue to be in force until (i) its termination by the Board or (ii) the date on which all of the options available for issuance under the ESOP 2010 have been issued and exercised/lapsed. The Company does not wish to further utilize options available under Pool Account, hence, the Board of Directors of the Company at its meeting held on 14<sup>th</sup> November, 2018, closed the said Scheme as all the options granted and vested under Grant I has been exercised/lapsed.

The details of disclosure of Employee Stock Option Plan [ESOP 2010] as required under the provisions of Companies Act, 2013 and SEBI (Share Based Employee Benefits) Regulations, 2014 are available on the website of the Company. Web-link of the same is <http://www.ganeshhousing.com/investors/financial-information/>.

## 9. DIRECTORS AND KEY MANAGERIAL PERSONNEL

### Appointment/Re-appointment:

Pursuant to provisions of Companies Act, 2013 ("the Act"), the shareholders of the Company in the 23<sup>rd</sup> Annual General Meeting of the Company held on 15<sup>th</sup> September, 2014 appointed Dr. Bharat J. Patel, Dr. Tarang M. Desai and Mr. Ashish H. Modi as Independent Directors of the Company to hold the office for a period of five (5) consecutive years. As per the provisions of Section 149(10) read with Section 152 and Schedule IV to the Act, the aforesaid mentioned Independent Directors are eligible for re-appointment for a second term of five (5) consecutive years.

On the recommendation of Nomination and Remuneration Committee, the Board of Directors at its meeting held on 30<sup>th</sup> May, 2019, has recommended the approval of members by way of Special Resolutions in the 28<sup>th</sup> AGM of your Company, the re-appointment of Independent Directors viz. Dr. Bharat J. Patel, Dr. Tarang M. Desai and Mr. Ashish H. Modi to hold office for second term of five (5) consecutive years commencing from 14<sup>th</sup> September, 2019.

Further, the Board of Directors at its meeting held on 30<sup>th</sup> May, 2019, on the recommendation of Nomination and Remuneration Committee, re-appointed Mr. Shekhar G. Patel as Managing Director for a period of five (5) years w.e.f. 1<sup>st</sup> July, 2019, subject to approval of members at the ensuing Annual General Meeting.

As per the provisions of sub-section (6) of Section 152 of the Companies Act, 2013, Mr. Shekhar G. Patel, Managing Director of the Company, retires by rotation and being eligible has offered himself for re-appointment. The Board recommends his re-appointment.

### Other:

The Company has received a declaration from the Independent Directors of the Company under Section 149(7) of Companies Act, 2013 confirming that they meet criteria of Independence as per relevant provisions of Companies Act, 2013. The said declarations are received pursuant to re-appointment of Independent Directors. At the first meeting of Board held for financial year 2019-2020, the Board of Directors of the Company has taken on record the said declarations and confirmation as submitted by the Independent Directors after undertaking due assessment of the veracity of the same. In the opinion of the Board, they fulfill the conditions for re-appointment as Independent Directors and are independent of the Management.

In terms of Sub-regulation (3) of Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI LODR"], brief resume in respect of the Directors who are being re-appointed and who is retiring by rotation and proposed to be re-appointed, are provided in the Notice convening the 28<sup>th</sup> Annual General Meeting.

## 10. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(3)(c) of the Companies Act, 2013, your Directors state that:-

- (i) In the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2019, the applicable accounting standards had been followed to the extent applicable to the Company. There are no material departures in the adoption of the applicable Accounting Standards.
- (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 the state of affairs of the Company at the end of the financial year 31<sup>st</sup> March, 2019 and of the Profit of the Company for that period;

- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The Directors have prepared the annual accounts on a going concern basis;
- (v) The directors have laid down internal financial control to be followed by the Company and that such internal financial control are adequate and were operating effectively; and
- (vi) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 11. UNCLAIMED AND UNPAID DIVIDENDS AND SHARES TRANSFERRED TO INVESTOR EDUCATION AND PROTECTION FUND ("IEPF")

In accordance with the provisions of sections 124 and 125 of the Act read with Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") dividends which remain unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account shall be transferred by the company to the Investor Education and Protection Fund ("IEPF").

Dividend remitted to IEPF during the financial year 2018-2019:

Financial Year	Dividend declared on	Last due date for claiming Dividend	Due date of transfer of said Amount	Amount transferred to IEPF	Date of transfer to IEPF
2010-2011	30/09/2011	29/09/2018	29/10/2018	₹ 4,68,580/-	23/10/2018

The IEPF Rules mandate companies to transfer all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more in the name of IEPF. The Members whose dividend and/or shares are transferred to the IEPF Authority can claim their shares and/or dividend from the IEPF Authority following the procedure prescribed in the Rules.

Accordingly, following shares whose dividend has remained unpaid/unclaimed for a period of seven (7) consecutive years shall be transferred to IEPF Authority during the financial year 2018-2019:

Financial Year to which dividend relates	No. of Shares transferred	Due date for transfer of Shares	Execution date for Corporate Action
2010-2011	16519	29/10/2018	22/10/2018

In accordance with the said IEPF Rules and amendment thereof, the Company had sent notices to all the proposed Shareholders whose shares will become due for transfer on due date 28<sup>th</sup> September, 2019 to the IEPF Authority and simultaneously published newspaper advertisements.

The Company has appointed a Nodal Officer under the provisions of IEPF, the details of which are available on the website of the Company <http://www.ganeshhousing.com/dividend.html>

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on the date of Annual General Meeting viz. 29<sup>th</sup> September, 2018 on the Company's website <http://www.ganeshhousing.com/dividend.html> and on the website of the Ministry of Corporate Affairs at [www.iepf.gov.in](http://www.iepf.gov.in).

## 12. STATUTORY DISCLOSURES

### Particulars of Employees

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- a) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Directors	Ratio to median Remuneration
Mr. Dipakkumar G. Patel	30.32
Mr. Shekhar G. Patel	30.27
Dr. Tarang M. Desai	0.13
Dr. Bharat J. Patel	0.06
Mr. Ashish H. Modi	0.14
Ms. Aneri D. Patel	0.07

- b) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Directors, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Mr. Dipakkumar G. Patel	Nil
Mr. Shekhar G. Patel	Nil
Dr. Tarang M. Desai	3.05*
Dr. Bharat J. Patel	-18.18*
Mr. Ashish H. Modi	0.91*
Ms. Aneri D. Patel	-11.80*
Mr. Rajendra Shah, Chief Financial Officer	11.79
Mrs. Priti Kapadia, Company Secretary	9.31

\* This includes sitting fees paid to non-executive and Independent directors. There has been no change in the amount paid per meeting in FY 18-19 as compared to previous FY 17-18, hence, the increase is only due to fluctuation in number of meetings.

- c) The percentage increase in the median remuneration of employees in the financial year: **12.05%**;
- d) The number of permanent employees on the rolls of Company as on 31<sup>st</sup> March, 2019: **131**;
- e) Average percentile increase made in the salaries of employees other than the managerial personnel in the financial year i.e. 2018-19 was **13.03%** whereas the increase/decrease in the managerial remuneration for the same financial year was **3.51%**.
- f) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel, Senior Management Personnel and other Employees.
- g) The statement containing top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to members excluding this annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to Company Secretary.

### **Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as prescribed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014 are given in *Annexure - A* annexed hereto and forms part of this Report.

### **Management Discussion & Analysis Report**

Management Discussion & Analysis report for the year under review as stipulated under Regulation 34(2)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed as *Annexure - B* hereto and forms part of this Report.

### **Corporate Governance Report**

Your Directors adhere to the requirements set out in Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Report on Corporate Governance as stipulated in the SEBI LODR is annexed as *Annexure - C* hereto and forms part of this Report along with Certificate from the Practising Company Secretary, Ahmedabad confirming compliance of conditions of Corporate Governance.

## **13. AUDITORS AND AUDITORS' REPORT**

### **Statutory Auditor:**

M/s. Purnesh R. Mehta & Co., Chartered Accountants, Ahmedabad (Firm Registration No. 142830W) were appointed as Statutory Auditors of the Company for the period of five (5) consecutive years from the conclusion of 26<sup>th</sup> Annual General Meeting till the conclusion of 31<sup>st</sup> Annual General Meeting of the Company to be held in the year 2022.

Pursuant to the Companies (Amendment) Act, 2017 read with notification issued by the Ministry of Corporate Affairs on 7<sup>th</sup> May, 2018, first proviso to sub-section (1) of Section 139 of the Companies Act, 2013 was amended. Accordingly, the mandatory requirement for ratification of appointment of Auditors by the Members at every AGM has been omitted and hence your Company has not proposed ratification of appointment of M/s. Purnesh R. Mehta & Co., Chartered Accountants, Ahmedabad at the forthcoming AGM.

The Auditors' Report does not contain any qualification, reservation or adverse remark.

### **Secretarial Auditor:**

The Board of Directors of the Company appointed C.S. Anand Lavingia (COP No. 11410), Practising Company Secretary, to conduct the Secretarial Audit of the Company for the financial year 2018-2019 under Section 204 of the Companies Act, 2013.

The Secretarial Audit Report for the financial year 31<sup>st</sup> March, 2019, under Companies Act, 2013, read with Rules made thereunder and in accordance with Regulation 24A of the SEBI LODR read with Circular no. CIR/CFD/CMD1/27/2019 dated 8<sup>th</sup> February, 2019 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) is set out in the *Annexure - D1* to this report.

The Annual Secretarial Compliance Report for the financial year ended 31<sup>st</sup> March, 2019, in relation to compliance of all applicable SEBI Regulations/Circulars/Guidelines issued thereunder, pursuant to requirement of Regulation 24A of the SEBI LODR read with Circular no. CIR/CFD/CMD1/27/2019 dated 8<sup>th</sup> February, 2019 is set out in *Annexure - D2* to this report. The Secretarial Compliance Report has been voluntarily disclosed as a part of Annual Report as good disclosure practice.

The Secretarial Audit Report and/or Annual Secretarial Compliance Report do not contain any qualification, reservation or adverse remark.

### **Cost Auditor:**

In terms of Section 148 of the Companies Act, 2013 read with Companies (Cost records and audits) Rules, 2014, the Company is required to get its cost records audited by the Practising Cost Accountant. Accordingly, the Board of Directors at their meeting

held on 30<sup>th</sup> May, 2018, appointed M/s J. B. Mistri & Co., Cost Accountants, Ahmedabad, as Cost Auditors for auditing the cost records of your Company for the year ended 31<sup>st</sup> March, 2019.

#### Reporting of Frauds by Auditors:

During the year under review, the Statutory Auditor, Cost Auditor and Secretarial Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee or Board under section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in this Report.

### 14. COMMITTEES OF BOARD OF DIRECTORS

The Company has the following Committees of the Board:

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Stakeholders Relationship Committee;
4. Corporate Social Responsibility Committee

The composition of each of the above Committees, their respective role and responsibility is as detailed in the Report of Corporate Governance.

The Nomination and Remuneration Policy framed by the Company as per the provisions of section 178(4) of the Act, is available on the website of the Company (<http://www.ganeshhousing.com/wp-content/pdf/nomination-and-remuneration-policy.pdf>).

### 15. EXTRACT OF THE ANNUAL RETURN

The extract of the Annual Return as provided under sub-section (3) of Section 92 of Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 for the financial year 2018-2019 is available on the website of the Company at web-link viz. <http://www.ganeshhousing.com/financial-information.html> pursuant to the provisions of clause (a) of sub-section (3) of Section 134 of Companies Act, 2013.

### 16. MEETINGS OF BOARD

During the financial year 2018-2019, the Board of Directors met for Nine (9) times viz. 30<sup>th</sup> May, 2018; 18<sup>th</sup> June, 2018; 6<sup>th</sup> July, 2018; 14<sup>th</sup> August, 2018; 27<sup>th</sup> September, 2018; 14<sup>th</sup> November, 2018; 2<sup>nd</sup> January, 2019; 14<sup>th</sup> February, 2019 and 28<sup>th</sup> March, 2019.

### 17. PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES REFERRED IN SECTION 188(1) OF THE COMPANIES ACT, 2013

During the year under review there were contracts or arrangements with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013. All related party

transactions entered were in the ordinary course of business and on arm's length basis. Form AOC-2 pursuant to Section 134 (3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out in *Annexure - E* to this Report.

Further, there were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. Transactions with related parties entered into by the Company in the normal course of business are periodically placed before the Audit Committee for review.

Members may refer to the notes to the accounts for details of related party transactions entered as per Indian Accounting Standard – 24. The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act 2013, the Rules thereunder and the SEBI LODR.

The Policy on Materiality of and dealing with Related Party Transactions as approved by the Board is uploaded on the Company's website and can be accessed at the Web-link: <http://www.ganeshhousing.com/wp-content/pdf/policy-on-related-party-transaction.pdf>

### 18. PARTICULARS OF LOANS, INVESTMENTS AND GUARANTEES UNDER SECTION 186 OF COMPANIES ACT, 2013

Disclosure on details of loans, guarantees and investments pursuant to the provisions of Section 186 of the Companies Act, 2013, and SEBI LODR, are provided in the financial statements.

### 19. RISK MANAGEMENT

As per Regulation 17(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company is required to lay down the procedures about the risk assessment and minimisation procedures. In accordance with the said clause the company has adopted risk management framework with the following objectives:

1. Aligning the corporate strategies & objectives to the risk appetite
2. Providing a formal organisation structure for risk management
3. Integrated approach to risk management at strategic level
4. Systematic approach and use of special tools for risk management
5. Providing Board/Management oversight



In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues. Thus, the company has in place risk management policy which also includes identification of elements of risk, if any, which in the opinion of the board may threaten the existence of the company.

## 20. CORPORATE SOCIAL RESPONSIBILITY

Pursuant to Section 135 of Companies Act, 2013, the Company has formed Corporate Social Responsibility Committee (CSR Committee) comprising of following members:

Sr. No.	Name of Director	Category/ Designation	Position
1.	Mr. Dipakkumar G. Patel	Chairman & Whole-time Director	Chairman
2.	Mr. Shekhar G. Patel	Managing Director	Member
3.	Dr. Tarang M. Desai	Independent Director	Member

The CSR Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company as specified under Schedule VII of Companies Act, 2013, which has been approved by the Board. The CSR Policy may be accessed on the Company's website at the link: <http://www.ganeshhousing.com/wp-content/pdf/corporate-social-responsibility-policy.pdf>.

The annual report on CSR containing particulars as specified under Rule 8 of Companies (Corporate Social Responsibility) Rules, 2014 is as per *Annexure - F* to the Report.

## 21. ANNUAL EVALUATION MADE BY THE BOARD OF ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEE AND INDIVIDUAL DIRECTORS

The Company has devised a policy for performance evaluation of the Board, Committee and other individual directors (including Independent Directors) which includes criteria such as the composition of committees, effectiveness of committee meetings, attendance of directors, participation, compliances of codes and policies, etc.

Accordingly, the Board of Directors of the Company has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India ("SEBI") under SEBI LODR.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the board composition, its structure, effectiveness of board processes, information flow and functioning, etc.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues/matters to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of Independent Directors, performance of non-independent directors, performance of the Board as a whole and performance of the Chairman was evaluated.

## 22. SIGNIFICANT AND MATERIAL ORDERS

During the year under review, there were no significant or material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

## 23. INTERNAL FINANCIAL CONTROLS

With reference to financial statements, the Company has put in place adequate financial controls in form of policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

## 24. AUDIT COMMITTEE

The Audit Committee comprises of total three members out of which two are Independent and Non-executive Directors viz. Mr. Ashish H. Modi (Chairman) & Dr. Tarang M. Desai, Member and third member is Managing Director viz. Mr. Shekhar G. Patel. All the recommendations made by the Audit Committee were accepted by the Board.

## 25. VIGIL MECHANISM

The Company has adopted the whistle blower mechanism for directors and employees to report concern about unethical behaviour, actual or suspected fraud, or violation of Company's Code of Conduct and Ethics. The whistle blower policy is available on the website of the Company. The web link of the same viz. <http://www.ganeshhousing.com/wp-content/pdf/vigil-mechanism.pdf>.

## 26. DISCLOSURE AS REQUIRED UNDER SECTION 22 OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder for prevention and redressal of complaints of sexual harassment at workplace. The Company has setup an Internal Complaints Committee (ICC) for redressal of Complaints.

During the financial year 2018-2019, the Company has received Nil complaints on sexual harassment, out of which Nil complaints have been disposed of and Nil complaints remained pending as of 31<sup>st</sup> March, 2019.

## 27. COMPLIANCE WITH THE PROVISIONS OF SECRETARIAL STANDARDS:

The applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly complied by your Company.

## 28. ACKNOWLEDGEMENTS

Your directors express a deep sense of gratitude for assistance and cooperation received from customers, vendors, shareholders and banks viz. Tamilnad Mercantile Bank Limited, ICICI Bank, HDFC Bank, Axis Bank, Karur Vysya Bank, Punjab National Bank, AU Small Finance Bank and Yes Bank Ltd as well as various NBFC Lenders, Central & State Government authorities, other business associates, who have extended their valuable support during the year under review. Your directors take this opportunity to place on record their gratitude and appreciation for the unstinted support of all the employees at all the levels of the Company.

For & on behalf of Board of Directors

**Dipakkumar G. Patel**

Chairman  
(DIN: 00004766)

Date : 30<sup>th</sup> May, 2019  
Place : Ahmedabad

**ANNEXURE - A**

Details of particulars under Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are given as under

**A. CONSERVATION OF ENERGY:**

(i) the steps taken or impact on conservation of energy;	Company ensures that the operations are conducted in the manner whereby optimum utilisation and maximum possible savings of energy is achieved.
(ii) the steps taken by the Company for utilising alternate sources of energy;	No alternate source has been adopted
(iii) the capital investment on energy conservation equipment;	No specific investment has been made in reduction in energy consumption

**B. TECHNOLOGY ABSORPTION:**

1. The efforts made towards technology absorption	The Company executes major projects through contractors. Hence, no outside technology is used by the Company
2. The benefits derived e.g., product improvement, cost reduction, product development, import substitution	Not Applicable
3. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year)	a. Technology imported: Nil b. Year of import: Not Applicable c. Has technology been fully absorbed? : Not Applicable d. If not fully absorbed, areas where this has not taken place, reasons there for: Not Applicable.
4. The expenditure incurred on Research and Development.	Not Applicable

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

As on 31<sup>st</sup> March, 2019, there were no foreign exchange earnings and/or outgo.

For & on behalf of Board of Directors

Date : 30<sup>th</sup> May, 2019  
Place : Ahmedabad

**Dipakkumar G. Patel**  
Chairman  
(DIN: 00004766)

## ANNEXURE - B

# Management Discussion and Analysis

## ECONOMIC SCENARIO

### Global Economy

In 2018, the broad-based cyclical growth witnessed by the global economy in the preceding two years lost momentum. Increased trade tensions and tariff hikes between the United States (US) and China, weak business confidence, tightened financial conditions and greater policy uncertainty across economies were the main reasons for the deceleration in growth. World economic growth dipped to 3.6% in 2018 from 3.8% in 2017. Slowdown in manufacturing, poor financial market sentiments and deceleration in industrial production outside US also contributed to the slowdown in growth.

### World Economic Output Growth (%)

	2017	2018	2019P	2020P
World output	3.8	3.6	3.3	3.6
Advanced economies	2.4	2.2	1.8	1.7
US	2.2	2.9	2.3	1.9
Euro Area	2.4	1.8	1.3	1.5
Japan	1.9	0.8	1.0	0.5
UK	1.8	1.4	1.2	1.4
Other advanced economies*	2.9	2.6	2.2	2.5
Emerging Markets and Developing Economies	4.8	4.5	4.4	4.8
China	6.8	6.6	6.3	6.1
India	7.2	7.1	7.3	7.5

\* Excludes the G7 (Canada, France, Germany, Italy, Japan, United States) and euro area countries p= projections

Source: World Economic Outlook - April 2019

The advanced economies grew by 2.2% in 2018, slightly lower than 2.4% growth recorded in 2017. This was due to a slowdown in the euro area, led by weak consumer and business confidence; and disruption in car production in Germany, led by introduction of new emission standards. In Italy, investment dropped due to widening of sovereign spreads.

Growth in the emerging markets and developing economies (EMDE) was recorded at 4.5% in 2018, slightly lower than 4.8% in 2017. China's growth was also negatively impacted, led by the much-needed regulatory tightening to restraint shadow banking and heightened trade tensions with US. External demand, especially from emerging Asia, remained soft. In Japan, the economy faced the brunt of natural disasters.

As per the International Monetary Fund (IMF), world output is expected at 3.3% in 2019 with slight recovery to 3.6% in 2020 mainly due to improved outlook in emerging markets. Growth in the advanced economies is projected to further slow down to 1.8% in 2019 and to 1.7% in 2020. The EMDE sector is projected to further slow down marginally in the years ahead. Growth is seen slowing down to 4.4% in 2019, but is estimated to pick up again and rise to 4.8% in 2020. This can be attributed to an accommodative policy stance in the advanced economies, easing of trade tensions between US and China and ramped up fiscal and monetary stimulus by China. (Source: IMF - World Economic Outlook, April 2019)

### Indian Economy

Despite the global economy battling headwinds, India's economy continued on its growth trajectory and continued to be one of the world's fastest growing major economies. As per the second advance estimates released by the Central Statistics Organisation (CSO), India's gross domestic product (GDP) is seen growing by 7% in FY 2018-19, tad lower than 7.2% witnessed in FY 2017-18. Economic growth witnessed pressure in the second half of the fiscal year, led a slowdown in agriculture, weaker consumer spending and investments, and a marked slowdown in the manufacturing sector. Growth can perk up if supported by prudent macro-economic policies on both fiscal and monetary fronts. Ease in monetary policy, with the Reserve Bank of India (RBI) cutting interest rates by 25 basis points in February 2019, bodes well.

IMF projects India's economy to touch USD 2.9 trillion in 2019, overtaking France and United Kingdom, to become the world's 5<sup>th</sup> largest economy. Near-term growth could witness support from the government spending announced ahead of the General Elections. The interim Union Budget for 2019-20 supported farmers, economically weak sections, workers in the unorganised sector and salaried employees, with a continued Government push on infrastructure development.

In February 2019, public sector banks were provided with capital infusions. These measures, combined with application of the Prompt Corrective Action (PCA) framework requiring timely recognition and resolution of bad loans through the Insolvency and Bankruptcy Code, are directed to address solvency and asset quality challenges.

Short term challenges such as the El Nino impact and General Elections, among others, continue to grapple the Indian economy. Despite this, it is likely to emerge as an outperformer, compared to most other global economies. As per World Economic Outlook (April 2019), India's GDP is expected to



grow by 7.3% in 2019 and 7.5% in 2020, benefiting from lower oil prices and a slower pace of monetary tightening with low inflation. RBI revised the inflation outlook downwards to 2.9% to 3% in the first half of 2019, and higher at 3.5% to 3.8% during the second half. With a stable Government at the centre, continued implementation of structural reforms, easing of infrastructure bottlenecks and robust consumption amid a more expansionary stance of the monetary policy and fiscal policy, the Indian economy is expected to see future growth.

## INDUSTRY OVERVIEW

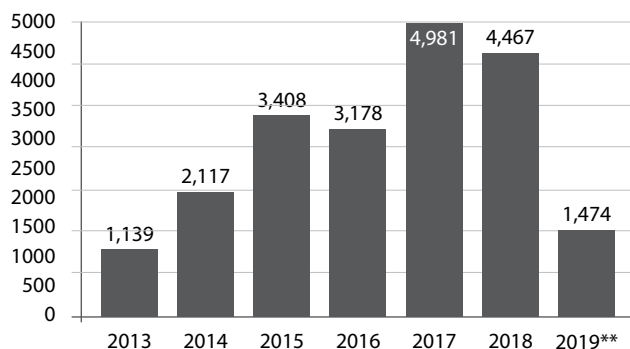
### Indian Real Estate Market

India's real estate sector is expected to reach a market size of USD 1 trillion by 2030, up from USD 120 billion in 2017. It is seen contributing 13% of India's total GDP by 2025. Real estate stock in India is expected to reach 3.7 million square feet in 2019, with an addition of 200 million square feet during the year. Emergence of nuclear families, rapid urbanisation and rising household incomes are likely to remain the key growth drivers in all spheres of real estate, including residential, commercial and retail. Rapid urbanisation in the country is pushing the growth of real estate.

The year 2018 witnessed a fair revival in the residential market, primarily buoyed by new launches and sales in the affordable housing sector, which is projected to continue to drive market growth in 2019. The key growth driver is the transparency brought about by policy implementation, augmenting buyer sentiments and bringing back investors. The main focus continued to be on ensuring affordable housing, balancing the impact of the Goods & Services Tax (GST) and improving sales, while also witnessing the fallout of the liquidity crisis of NBFCs.

Retail, hospitality and commercial real estate segments are also growing significantly, providing the much-needed infrastructure for India's growing needs. Private Equity and Venture Capital investments in real estate have reached USD 4.47 billion in 2018 and USD 1,474 million in Q1 of 2019. Between 2009 and October 2018, the Indian real estate sector attracted institutional investments worth USD 30 billion.

**PE-PV Investments in  
Indian Real Estate (US\$ million)**



\*\* Upto Q1 2019

Source: Indian Real Estate Report, April 2019, IBEF

### Key Drivers for Growth

Led by a slew of initiatives by the Government, the Indian real estate sector witnessed a revival with confidence of homebuyers increasing, led by a clear understanding of the market. The developers also witnessed a smooth regulatory business process. This development is expected to help increase cash flow in the sector during 2019. Single window approvals by central and various state governments are expected to further accelerate growth.

The government has announced certain amendments in the taxation and regulatory features. RERA is streamlining the sector, ensuring that buyers get full value for their money. The central and various state governments are announcing single window approvals. The implementation of GST and approval by SEBI for Real Estate Investment Trusts (REIT) have led to greater transparency in the sector. Institutional investors are now looking at India's real estate with renewed interest. With the advent of first REIT in early 2019, investors are looking forward to great opportunities.

By 2018, almost all concerns regarding the viability of a REIT launch had been addressed, making it an opportune time for a REIT listing. In Q1 of 2019, the Embassy Group and Blackstone Group together launched India's first REIT, which was oversubscribed upon listing. This is a critical step towards formalising the funding mechanisms prevalent in the sector.

Affordability improved across key markets pan India from 2014 to 2018, led by Government initiatives, favourable home loan rates and higher growth in disposable incomes versus real estate pricing growth. According to a recent research report by Colliers International, the average disposable income per annum for India's middle income group grew by 9% across seven major cities in India during 2014 to 2018. This was in comparison with less than 2% average growth in residential property prices. Additionally, besides granting of the infrastructure status to the real estate segment, the government made a substantial rate cut on GST on housing to 5% on under-construction properties, with no input tax credit (ITC) under the non-affordable housing. The rate was fixed at 1% on under-construction property, with no ITC on affordable housing.

The government extended the benefit of Credit Link Subsidy Scheme (CLSS) on home loans for the middle income group under the Pradhan Mantri Awas Yojana (PMAY) Urban till the end of March 2020. According to this, a homebuyer can avail a subsidy of up to ₹ 2.67 lakh on home loans under this scheme.

### Ahmedabad Real Estate Market

In May 2018, the Gujarat state government with the aim of removing corruption from the system, approved the Online Development Permission System (ODPS). Under this, building permission to real estate developers and builders was to be

provided within 24 hours, and that too, without any human interference. This new policy led to a drop in new launches in the Ahmedabad market. While the intentions behind the new policy were good, the new initiative faced teething troubles and led to a dip in new launches in the city. Realising the problems with ODPS, the state Government temporarily moved to the offline mode in October 2018, post which new launches began picking up. As a result, new launches in 2018 were lower by 13% compared to 2017. Sales remained steady witnessing 3% growth in 2018, as compared to 2017. Steady demand and availability of “ready to move in” houses within a particular price bracket ensured that sales maintained a healthy momentum.

Being a price sensitive market, the Government’s push for affordable housing in Ahmedabad is fast catching up. Real estate developers across Gujarat are betting big on affordable homes. Around one-third of the total 5,191 real estate projects registered with Gujarat Real Estate Regulatory Authority (GujRERA) fall under the affordable housing category. Among these affordable housing projects, 878 belong to pure residential category, while 816 are mixed-use with residential and commercial units. With 502 registered affordable housing projects — residential and mixed use — being at Ahmedabad, this is the highest number across Gujarat.

The demand for property in Ahmedabad was held mainly because of interest from investors and non resident Indians (NRIs). The main reason for investing in a real estate property in Ahmedabad is the pick-up in economic activity, with an overall cascading effect and a trickle-down benefit on the real estate market. A significant boost is also provided by the Ahmedabad metro with real estate development along the routes, especially on the vacant land nearby. Housing projects are coming up in areas such as Gota, Vaishnodevi, Shela and South Bopal, and also within a 3-6 km radius. The paucity of land and increasing square foot cost of buildings in posh localities have led to robust growth in multi-storied apartments. The prime areas within the city are Shahibaug, Bodakdev, Satellite, Vastrapur, Thaltej, Prahladnagar and Maninagar. (Source: <https://shelter4u.in/why-real-estate-in-ahmedabad-is-booming/>)

According to a survey by ASSOCHAM investment into Ahmedabad real estate is expected to increase by 32% in 2019. The Survey indicates that NRIs consider Ahmedabad as a very stable market, especially with regard to absorption and demand of both commercial and residential property. These investments are expected to come largely from the US, UK, Singapore, Canada, the United Arab Emirates and South Africa, the regions with a large Gujarati Diaspora.

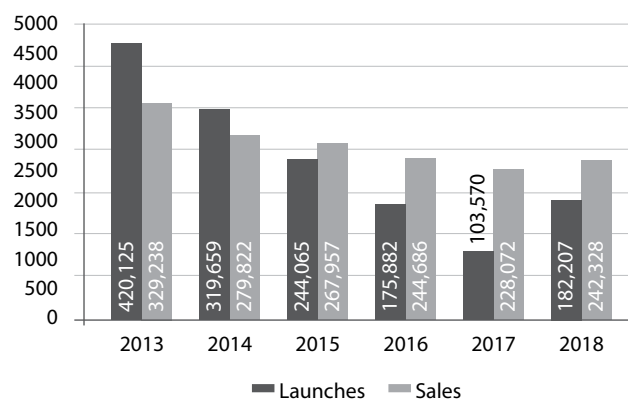
(Source: Knight Frank Research)

## Residential Sector

Despite the massive need for housing in India, there has been a steady decrease in residential volumes in terms of launches and

sales every successive year of the current decade. Huge unsold inventories caused by a prolonged focus of developers on wrong apartment ticket sizes led the residential real estate segment to a complete standstill. However, vast unsold inventory levels that peaked in 2014 at 0.72 million units forced real estate developers to curtail supplies in a bid to lighten the inventory load. This course of action witnessed reasonable success even in the face of lacklustre demand as unsold inventory levels have fallen to 0.47 million units in 2018.

## All India Annual Residential Launches and Sales



Source: Knight Frank Research

Regulations imposed by the government to ensure accountability on the developer discouraged speculators and laid the foundation of a healthy end users’ market. Some of these regulations are: the Real Estate (Regulations and Development) Act, 2016 (RERA); Goods and Services Tax Act (GST); and the Benami Transactions(Prohibition) Amendment Act, 2016. The government’s ‘Housing for All By2022’ and the granting of infrastructure status to affordable housing is also aimed towards boosting housing supply for low-income and middle-income segments and improving affordability of the homebuyer.

This period of stabilisation, right-sizing and right-pricing of new residential products and improvement in homebuyers’ sentiments due to increased transparency resulted in 76% growth in units launched during 2018, as compared to 2017. Sales in 2018 grew a modest 6% as compared to that in the previous year. The year marked the first that saw any growth in sales and supply during the decade. Market traction could have been better, if it were not impacted by the NBFC liquidity crunch.

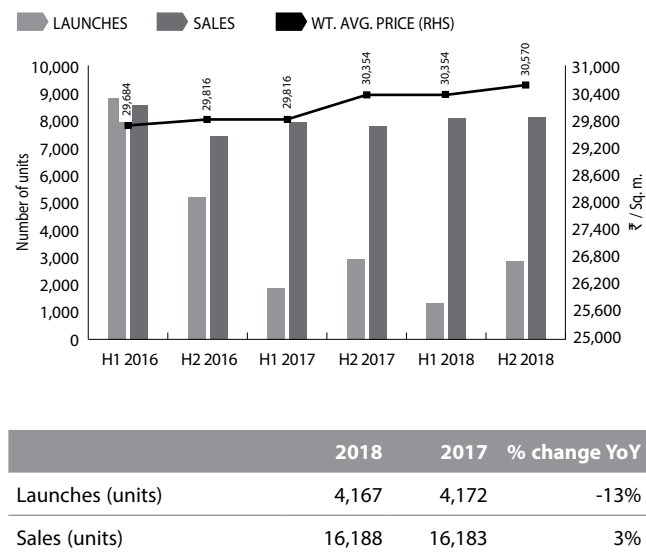
Of the eight cities under coverage, only Kolkata and Ahmedabad witnessed supply fall during 2018, while supply volumes in Mumbai and Pune increased by a massive 220% and 157%, respectively. Maharashtra has been the frontrunner in applying the RERA in letter and spirit and caused some distress on supply side in 2017, which is gradually resolving itself. Maharashtra accounted for almost 59% of the units launched during the year. The Mumbai residential market experienced the largest sales volume among all the cities. However, the highest growth

was experienced by Bengaluru at 27% in 2018. The home-buyer in this city has been especially receptive to relaxations in the qualification criteria for projects under the PMAY, such as interest subsidies and increase in the extent of carpet area to 160 square metres for MIG – I and 200square metres for MIG – II.

The current QTS level stands lower at 10.2 quarters at the end of 2018, compared to 11.2 quarters in 2017, led by significantly higher sales and lower unsold inventory levels. However, the age of unsold inventory has been progressively increasing across eight major cities. Weighted average prices have stagnated across cities, with Mumbai witnessing the most decline at 7%, while NCR and Bengaluru grew at 2%. Hyderabad saw prices move up by 7% due to the high proportion of ready inventory and very little supply coming online during 2018. During the last four years, the growth in residential prices in most of the top eight cities of India has been below retail inflation growth. This fact has helped keep the de-growth in sales much more muted compared to launches and reduced unsold inventory levels by 29% in the past three years. The reduction in prices improved home affordability, and average ticket sizes of housing units in most cities are close to being 4.5times the annual household income of the city. The government relaxing norms for NBFCs to liquidate loan portfolios and contemplating roll-back of taxes to reduce costs for homebuyers will play its part in stimulating the market.

### Ahmedabad Residential Sector

Housing supply continues to remain muted in Ahmedabad as launches of new homes declined by 13% in 2018 to 4,167 units, down from 4,790 units in 2017. Residential sales across Ahmedabad rose 3% at 16,188 units in 2018, compared to 15,741 units sold in 2017, largely led by sales in the affordable housing sector. With sales remaining about four times the new supply, unsold inventory of housing units fell by 45% from 26,884 units in 2017 to 14,863 units by December 2018. With inventory under control, 2019 is expected to witness a strong improvement in new launches.



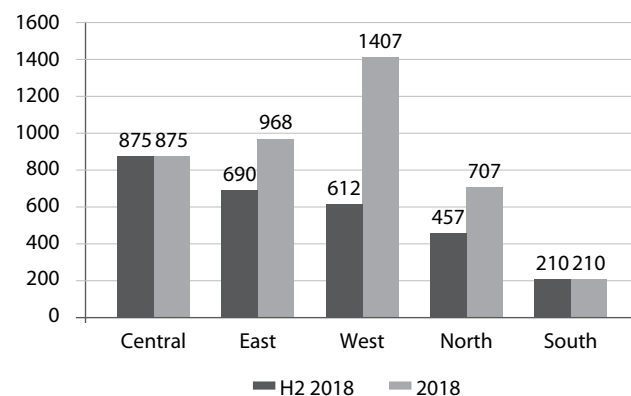
Unsold inventory analysis	Unsold inventory	QTS
H1 2014	44245	7.0
H2 2014	41205	7.3
H1 2015	41388	8.4
H2 2015	39782	8.7
H1 2016	40035	8.5
H2 2016	37835	8.6
H1 2017	32934	7.7
H2 2017	26884	7.0
H1 2018	20119	7.1
H2 2018	14863	4.7

Source: Knight Frank

More than 40% of the new residential launches were witnessed in East and North Ahmedabad, which are largely considered as affordable markets. The West, which is the hub of housing activity, contributed 22% of the new launches. Around 34% of the sales were recorded in West Ahmedabad – in more prominent in areas like South Bopal, areas along Sindhu Bhavan Road and Bopal Ambli Road, led by the recent improvement in social infrastructure and access. The affordable housing markets witnessed high traction in East and North Ahmedabad with hectic sales activity in areas like Ranip, Chandkheda, Gota, Naroda and Vastral. Due to its proximity to business districts along the SG Highway and Sanand, West Ahmedabad has been a favourite among homebuyers in recent years, especially among those with white-collar jobs.

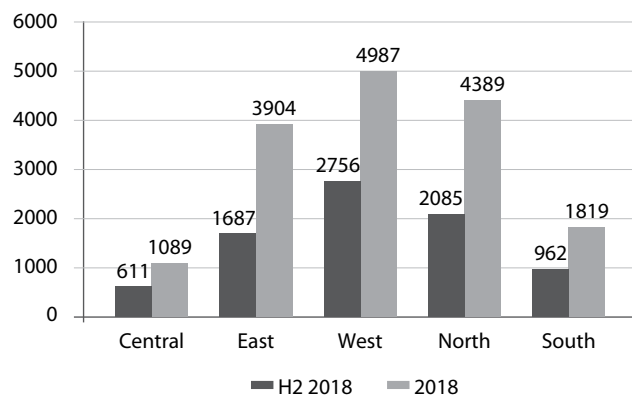
Prices of housing units in the city have largely remained stable in the recent years. East Ahmedabad is one of the better performing markets in the city, which attests homebuyers' affinity towards affordable houses. Affordable pricing, coupled with easy access to major employment hubs and integrated development, helped this micro market in attracting homebuyers.

### Micro market split of launched units



Source: Knight Frank

### Micro market split of launched units



Source: Knight Frank

A major policy change in Ahmedabad is expected to boost the housing sector in the coming years. This is the amendment in the Gujarat Flat Ownership Act of 1973 to work out the modalities for flat-owners. The earlier provision required the society to be above 25 years and needed 100% consent of owners for the purpose of redevelopment. There has been an amendment signed by the President, that even if 75% owners agree, redevelopment is now permissible. Of the 800 old societies, about 700 are expected to be older than 25 years. The state government is yet to come out with the requisite notifications and detailed guidelines in this regard. Hence, this presents a huge opportunity for growth in residential real estate.

(Source: Knight Frank Research)

### Commercial Sector

For the commercial sector, 2018 proved to be a landmark year, with office space absorption crossing an all-time high of 47 million square feet (msf), registering 5% growth across the nine leading cities in India. This was boosted by a supply influx of 35 msf, up 17% as compared to 2017.

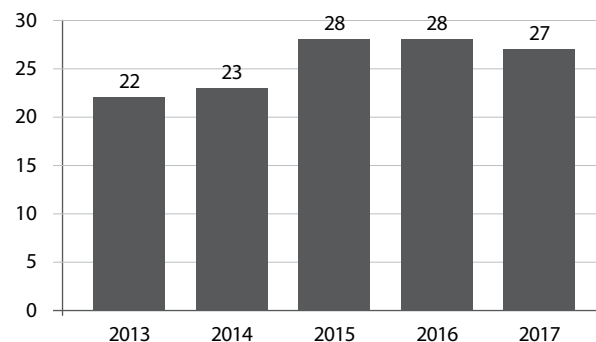
Traditionally, American corporates have driven about 40% of total leasing in the country over the past few years. While this trend is expected to continue, India's position as a preferred outsourcing destination is also likely to attract corporates from EMEA and APAC, resulting in an increase in fresh transactions in the future, thereby boosting space take-up.

Bengaluru and NCR continued to dominate the take-up, while Hyderabad emerged as the third-most preferred office destination, overtaking Mumbai. 2018 was marked by a significant spurt in flexible space operators and their footprint across the country. Flexible space operators leased over 6 msf of investment grade office space in the country, more than double the quantum leased in 2017.

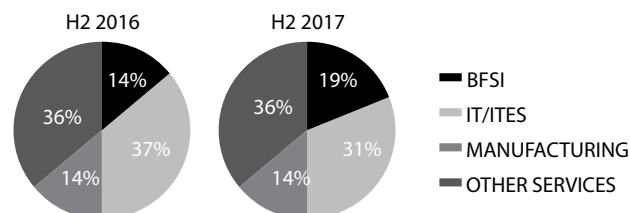
The rise of start-ups, particularly tech-based, and their evolving relationships with large multinationals and established domestic corporates, is resulting in workplace formats becoming more tech-enhanced. There is also an increasing demand for cost-effectively managed offices or 'café' environments.

(Source: CBRE Research)

### Demand for Commercial Space in Top 8 Cities



Source: Indian Real Estate Report April 2019



Office Rental (H2 2017)	(INR/sq. ft./month)	6-month change	12-month change
PBD	35-45	3%	5%
CBD	40-48	5%	7%
CBD WEST	45-60	10%	15%

Source: Knight Frank

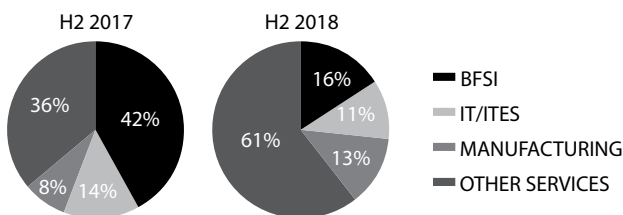
### Ahmedabad Commercial Sector

The office market in Ahmedabad is still in its infancy, compared to urban centres such as Mumbai, Bengaluru and Delhi NCR. In 2018, office space transactions declined 29% to 1.03 msf, attributable to the absence of any large transactions and high-base effect. The largest transaction was that of Claris Lifesciences, which took up 0.1 million sq ft of office space. New completions reached 3.09 msf, compared to 2.92 msf in 2017, registering 6% growth. During H1 of 2018, 0.9 msf of office space entered the market with only 12 projects witnessing new office completions, which were largely in the central business district (CBD) and CBD West. Major part of the new supply that got added to the stock came in CBD West along SG Highway,



Corporate Road, off CG Road, Drive In Road and Science City Road. The second half witnessed an infusion of 2.18 msf of office space, with good quality supply making its way in. Of the total transacted office space in the city, CBD West accounted for 83%, thereby making it one of the most preferred business districts in the city. Further within CBD West, SG Highway accounted for 46% of the transacted space.

Unlike other real estate markets such as Bengaluru and Hyderabad, the office market in Ahmedabad is not driven by the IT/ITeS sector. Till 2017, the BFSI sector continued to dominate the transacted office space. In 2018, however, the share of BFSI went down to 26%, with the biggest gainer being the other services sector at 61%, compared to 36% in 2017. Another noticeable trend emerging is the growing prominence of co-working space with three such transactions taking place in 2018. Rentals are firming up both in CBD West and the peripheral business district (PBD). Lack of quality office space is creating an upward pressure on rentals in the city, resulting in rentals increasing by 15% in H2 2018, compared to the corresponding period in 2017.



## Retail Sector

In 2018, retail demand continued its robust growth trajectory as customer base continues to expand with millennials steadily on their way to dominate India's demographic profile. Led by the change in the demographic profile, consumer behaviour is also rapidly evolving. In 2018, nearly 5.1 msf of new retail developments became operational across seven major cities, led by Hyderabad, Chennai and Bengaluru. Smaller retail developments also became operational in NCR and Kolkata. Demand was led by several categories including F&B, fashion, apparel, accessories, electronics, sportswear, entertainment centers and multiplexes. Both domestic and international players remained active across the retail leasing landscape. Ikea forayed the Indian retail market through the 100% FDI route by opening its first store in Hyderabad. Other notable international brands such as Berlutti, Love Moschino, Bath & Body Works, American Eagle, Ted Baker, and Polo Ralph Lauren also entered the retail market during 2018.

The retail real estate segment is expected to witness a transformational streak, with technology and changing consumer preferences. Although online shopping is penetrating rapidly, the share of online retail is still miniscule when compared

to brick-and-mortar sales. Newer physical retail formats are expected to emerge, with the focus being on creating a more personalized experience for shoppers. Rapid urbanization, growing young population, increasing workforce, social media pressures and higher per capita and disposable incomes are expected to drive consumption. Total retail spending across in the country is expected to touch ₹ 7,650 billion in 2019. As per Anarock Property Consultants, India's organised retail sector is expected to add 39 msf of space by the end of 2022, of which 71% will be in metros and tier-I cities, including Ahmedabad, Bhubaneswar, Ranchi, Kochi, Lucknow, Surat and Amritsar.

(Source: CBRE)

## Ahmedabad Retail Sector

The city witnessed new significant high-end retail space supply during the year. Mall leasing activities were largely driven by Food & Beverage (F&B) and apparel segments. Insufficient new supply and limited availability of quality spaces led to an increase in mall rents on S.G. Highway submarket by 5%. The retail spaces in prime main streets continued to remain dominated by retailers from apparels and lifestyle goods segments. Strong demand and limited quality supply led to a significant upsurge in rental rates on the main streets. However, leasing is expected to strengthen further due to increase in enquiries from F&B, apparels and automobile retailers.

Overall mall vacancy was largely unchanged with leasing activity continuing to remain sluggish in 2018. Retail leasing at main streets continues to be robust compared to malls. SG Highway and Sindhu Bhavan Road continue to remain attractive locations for retailers. Available supply, good footfalls and proximity to commercial and residential areas are driving the leasing activity in these locations. Most of the transactions were driven by retailers from the apparel and health & fitness industry. Owing to lukewarm leasing activity and no fresh supply, mall rentals remained stable. However, select locations witnessed marginal increase due to renewal.

In May 2019, the Gujarat legislative assembly paved way for 24\*7 retail in the state, making Gujarat the second state after Maharashtra to do so. As per the Act, shops in municipal corporation jurisdiction may remain open for business for 24 hours, while those in municipalities were allowed to remain open till 2 am. In rural areas, retail establishments were allowed to remain open till 11 pm. This move is expected to enable the 'Ease of Doing Business' for retailers, support small retailers and provide a substantial boost to employment generation. No new supply of malls is expected in 2019, with retailers being cautious about their expansion plans and developers deferring completions due to listless leasing levels. Approximately 1.08 msf of mall supply is expected to come up by 2020, while another 1.05 msf is proposed by 2021.

(Source: Cushman & Wakefield)

## BUSINESS OVERVIEW

Ganesh Housing Corporation Limited (GHCL or the Company) is a flagship company of the Ganesh Group. Incorporated as a Public Limited Company in June 1991, the Company has built credible brand equity in Ahmedabad as a reputed real estate developer. Founded by the Late Govindbhai C. Patel, the Company is the pioneer of organized housing and construction in Ahmedabad.

Till date, GHCL has developed and sold over 22 msf real estate space, with another 2.5 msf currently under development. With a robust track record of delivering marquee projects for the middle and higher classes of the society, the Company has established an impeccable presence across residential, commercial, retail and township formats of the real estate projects. GHCL has one of the largest developable land bank in the city with over 50 msf of space. GHCL is a ISO 9001-2008, ISO 14001 : 2004 & OHSAS 18001 : 2007 certified company, and continuously strives to present superior spaces to its customers.

GHCL aims to focus on the booming commercial and educational hub, Ahmedabad, which is a fast-developing city with a huge potential. GHCL is developing an integrated township near Godhavi village in Ahmedabad. The Company is expanding into all segments from affordable to middle income to high income. The Gujarat Government recently relaxed the redevelopment norms under Gujarat Flat Ownership Act 1973, requiring only 75% of residents' approval as opposed to 100% majority required earlier. This presents a significant opportunity with a target of almost 700 societies qualifying as being 25 years older. With a strong brand, rich experience, professional team and strong processes and practices in place, the Company is well equipped to capitalise on the rising growth opportunity.

## OPPORTUNITIES AND THREATS

### Opportunities

- **Strong macro-economic fundamentals:** The Indian economy has experienced robust economic growth in the past decade and is fast emerging as one of the fastest growing economies in the coming years. India's urban population is expected to reach 543 million by 2025, up from 461 million estimated in 2018. Rising incomes and employment opportunities have led to more urbanisation and higher affordability for real estate in cities. Real estate sector in India is expected to reach a market size of USD 1 trillion by 2030, compared to USD 120 billion in 2017. Increasing share of real estate in the GDP is estimated to be supported by rising industrial activity, improving income levels and growing urbanisation. Mumbai and Bengaluru have been rated as the top real estate investment destinations in Asia. Rapid urbanisation, growing population, rise in number of nuclear families, easy availability of finance, repatriation of NRIs and HNIs, low inflation, lower interest

rates, low commodity prices, rising foreign investments, and rising disposable incomes work in favour of growth in real estate development. India's tourism and hospitality industry are projected to touch USD 419 billion by 2022, led by growing Foreign Tourist Arrivals which is targeted to reach 20 million by 2020. This will aid growth in the hospitality sector and also give a fillip to medical tourism, and indirectly benefit real estate.

- **Policy Regulations:** The Government has launched several key policies for the real estate sector. Some of these are: Exemption under Income Tax Act for purchase of second house, RERA, Benami Transactions Act, boost to affordable housing construction, interest subsidy to homebuyers, change in arbitration norms, Dividend Distribution Tax (DDT) exemption, reduction in GST rates, and opening of FDI. In order to boost affordable real estate, housing loans of upto ₹ 3.5 million in metro cities were included under RBI's priority sector lending in June 2018. Since loans under priority sector lending are relatively cheaper, this move by the Government is expected to boost housing demand. The total number of houses built under PMAY reached 15.3 million during 2014-18. In Union Budget 2019-20, the Government extended benefits under Section 80-IBA of the Income Tax Act till March 31, 2020 to promote affordable housing in India. To boost this segment, the Government has doled out various tax incentives and other reforms. Union Cabinet has decided to increase carpet area of the unit – 120 sq. metres and 150 sq. metres for MIG-I (income category of ₹ 6-12 lakhs per annum); MIG-II (income category of ₹ 12-18 lakhs per annum), along with an interest subsidy of 4%, further boosting buying and selling of housing units.
- **Government reforms:** A slew of initiatives by the Government are expected to provide a significant boost to India's real estate sector. The government has allowed FDI of up to 100% for townships and settlements development projects. A total of 60 million houses are to be built under "Housing For All" scheme by 2022, which includes 40 million in rural areas and 20 million in urban areas. The Government's plan to build 100 Smart Cities also offers huge development opportunities for the real estate sector. RBI has proposed to enable banks to invest in real estate investment trusts and infrastructure investment trusts, thus attracting more institutional investors to these assets. Between 2009-18, India's real estate sector attracted institutional investments worth USD 30 billion. Private Equity and Venture Capital investments reached USD 4.47 billion in the sector during 2018.
- **Increasing affordability and rising demand:** The urban housing shortage in India is estimated at around 10 million units. This is being addressed through PMAY, Urban, under which more than 6.85 million houses have been sanctioned up to December 2018. There has been a

substantial increase in demand in commercial real estate sector, driven mostly by growth in ITeS/IT, BFSI, consulting, education and manufacturing. Moreover, many new companies are planning a foray into the Indian markets due to the huge potential and recently relaxed FDI norms. Booming consumerism with organised retail is expected to grow at 25-30% annually, which bodes well for retail real estate development.

### Threats

- **Increase in input costs:** Real estate is a capital and labour-intensive industry, thus a rise in cost of labour coupled with shortage creates issues in development of the project. Furthermore, unfair practices of certain sections of distributors and the cement industry by raising the price creates issues in project completion.
- **Inventory pile-up:** Despite the massive need for housing in India, there has been a steady decrease in residential volumes in terms of launches and sales every successive year of the current decade. Huge unsold inventories caused by a prolonged focus of developers on wrong apartment ticket sizes brought the residential real estate industry to a standstill. Vast unsold inventory levels peaked in 2014 at 0.72 million units, which forced developers to curtail supplies. This led to reasonable success in reducing unsold inventory levels to 0.47 million units in 2018.  
(Source: Knight Frank Research)
- **Decline in bank credit:** Developers face a major challenge with funding. Lack of industry status does not allow developers to access funds at an affordable rate (except for affordable projects). India's banking liquidity crunch has also extended to the real estate sector. Developers look to non-bank lenders for funding as traditional financiers struggle under bad loans. But following the government's seizure of troubled shadow bank IL&FS, NBFC lending has also been facing troubled times.
- **Shortage of skills and technology:** Real estate is grappling with shortage of skilled professionals, which many times results in project delays. Substantial investment in technology and skill development is essential to ensure growth and development of the real estate sector. For faster completion of projects, it is imperative to invest in skill development and training of primary construction workers.

### Financial Performance

#### Consolidated

**INCOME:** Total Income decreased to ₹ 267.21 crores in 2018-2019 from ₹ 508.25 crores in 2017-2018.

**EBITDA:** Earnings Before Interest, Tax and Depreciation decreased to ₹ 76.99 crores in 2018-2019, from ₹ 203.08 crore in 2017-2018.

**PAT:** Profit After Tax decreased to ₹ 26.55 crores in 2018-2019 from ₹ 50.80 crores in 2017-2018.

Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor,

RATIOS	2018-19	2017-18	Diff	Δ in %	REMARKS
Debtors Turnover Ratio	2.45	1.03	1.42	138.00%	Debtors Turnover Ratio has improved on an account of realisation from Debtors.
Inventory Turnover Ratio	0.32	0.98	-0.66	-67.32%	Inventory Turnover Ratio has declined on account of decline in turnover and change in revenue recognition on account of implementation of IND AS-115 (Indian Accounting Standard).
Interest Coverage Ratio	0.81	2.02	-1.21	-59.90%	Interest Coverage Ratio has declined due to fall in EBIT on account of decline in turnover and change in revenue recognition due to implementation of IND AS-115 (Indian Accounting Standard).
Current Assets	3.45	4.32	-0.87	-20.13%	—
Debt Equity Ratio	1.08	0.87	0.21	23.59%	—
Operating Profit Margin	28.62%	40.08%	11.47%	-28.60%	Operating Profit Margin % has declined due to fall in EBIT on account of decline in turnover and change in revenue recognition due to implementation of IND AS-115 (Indian Accounting Standard).
Net Profit Margin	10.17%	10.16%	0.01%	0.11%	—
Return on Net Worth	3.16%	5.17%	-2.01%	-38.91%	Return on Net Worth has declined on account of decline in turnover and change in revenue recognition, reversal of past revenue for under construction projects as per the implementation of IND AS-115 (Indian Accounting Standard).

### Internal Control Systems

The Company's policies and procedures take into account the design, implementation and maintenance of adequate internal financial controls, keeping in view the size and nature of the business. The system ensures adherence to accounting standards, compliance to various statutes, company policies and procedures and effective usage of resources and safeguarding of assets. An audit team comprising of both internal and external auditors, closely monitors the control systems and processes in

the organisation and any deviation from expected performance is reported. Prompt action is initiated to restore normalcy. It is also ensured that expenses are kept within budgeted levels at all times. Strict adherence to all the environment protection norms is ensured. Reporting of the Audit team is periodically reviewed by the Audit Committee.

### **Material Developments in Human Resources**

The Company believes that the key to excellent business results is an excellent talent pool. It values its human capital and provides them ample opportunities to grow. It ensures a safe, conducive and productive work environment. The Company provides regular skill and personnel development training to enhance employee productivity. HR policies nurture a work culture that leads to employee satisfaction, unflagging motivation, and high retention rate. Across construction sites, essential safety measures are in place to ensure complete safety and health of the employees. The Company boasts of having one of the lowest incidents of work-related accidents (major or minor) across all its project sites. The Company periodically undertakes a host of skill development and safety drill programs. Proficient and competent work culture is the essence of the organisation, inspired by strong corporate ethos. The Company has formulated human rights policies for construction workers

to ensure fair wage distribution as per industry standards. In 2018-19, the Company ensured a healthy relationship with its workforce. As on March 31, 2019, the Company had a total of 131 employees working across its sites.

### **Cautionary Statement**

This report contains statements that may be “forward looking” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Company’s future business developments and economic performance. While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macroeconomic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. Company undertakes no obligation to publicly revise any forward looking statements to reflect future/likely events or circumstances.



# CORPORATE GOVERNANCE REPORT

## 1. CORPORATE GOVERNANCE PHILOSOPHY:

Corporate Governance has been framed with the aim of adopting the best management practices, compliance of law and adherence to ethical standards to achieve the Company's objective of increasing the value of stakeholders and retention of investors' trust based on transparency, integrity, professionalism and accountability.

The Corporate Governance philosophy of the Company has been further strengthened with the adoption of Code of Conduct for Board and Senior Management Personnel and Code of Conduct for Prevention of Insider Trading for its Directors and Designated Employees as also a Code of Corporate Disclosure Practices. Thus, the Company, through its Board, Committees and Senior Managerial Personnel endeavor to strike and deliver the highest governing standards for the benefits of its Stakeholders.

## 2. BOARD OF DIRECTORS

### Composition and Category of Board of Directors as on 31<sup>st</sup> March, 2019:

The Board of Directors of the Company have an optimum combination of Executive and Non-executive Directors and is in conformity with the provisions of Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI LODR"]. The Board of the Company comprises of Six (6) Directors – Two (2) Executive Directors and Four (4) Non-Executive Directors, of whom three are Independent Directors. The current strength of Board includes one Woman Director as required under applicable provisions.

### Confirmation and Certification:

On an annual basis, the Company obtains from each directors, details of the Board and Board Committee position he/she occupies in other Companies, and the changes, if any, regarding their directorship. Based on the said declarations, as on 31<sup>st</sup> March, 2019, none of the Directors on the Board are Members of more than Ten (10) Committees or Chairman of more than Five (5) Committees across all the public companies in which they are Directors.

The Company has obtained a Certificate as required under part C of Schedule V of SEBI LODR from Mr. Anand Lavingia, Company Secretary in Practice, confirming that none of the directors of the Company have been debarred or disqualified from being appointed or continuing as a Directors of Companies by the Securities and Exchange Board of India and

Ministry of Corporate Affairs or such authority and the same was placed before the Board of Directors at their meeting held on 30<sup>th</sup> May, 2019.

### Independent Directors:

The Independent Directors of the Company meet all the criteria mandated by SEBI LODR and the Companies Act 2013. As per the declarations received from Independent Directors as on 31<sup>st</sup> March, 2019, none of the Independent Directors serve as Independent Director of more than Seven (7) Listed Companies. Moreover, none of the Independent Directors hold positions as Whole-time Director of any Company.

The meeting of Independent Directors was held on 30<sup>th</sup> March, 2019, without the attendance of Non-Independent Directors and members of Management. All the Independent Directors were present at the said meeting. At the Meeting, they: –

- (i) reviewed the performance of Non-Independent Directors and the Board as a whole;
- (ii) reviewed the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- (iii) assessed the quality, quantity and timeliness of flow of information between the Company's Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

### Performance Evaluation criteria for Directors:

The Nomination and Remuneration Committee has devised a criteria for evaluation of the performance of the Directors including Independent Directors and the same forms part of Directors' Report. The said criteria provides certain parameters like preparedness on the issue/matters to be discussed, meaningful and constructive contribution and inputs in meetings, etc., which is in compliance with applicable laws, regulations and guidelines.

### Familiarization Programmes:

The Company has formulated a policy to familiarise the Independent Directors with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc., through various programmes. The details of such familiarization programmes are disclosed on the website of the company and the web link for the same is <http://www.ganeshhousing.com/wp-content/pdf/ghcl-familiarization-programme-of-ids.pdf>.

**Succession Planning:**

The Nomination and Remuneration Committee believes that sound succession plans for the senior leadership are very important for creating a robust future for the Company. The Committee works along with the Human Resource team of the Company for a proper leadership succession plan.

**Board Meetings:**

During the financial year 2018-2019, the Board of Directors met for Nine (9) times viz. 30<sup>th</sup> May, 2018; 18<sup>th</sup> June, 2018; 6<sup>th</sup> July, 2018; 14<sup>th</sup> August, 2018; 27<sup>th</sup> September, 2018; 14<sup>th</sup> November, 2018; 2<sup>nd</sup> January, 2019; 14<sup>th</sup> February, 2019 and 28<sup>th</sup> March, 2019.

The procedures with respect to Board Meetings and the Meetings of the Committees thereof are in compliance with

the requirements of the Companies Act, 2013, SEBI (LODR) Regulations, 2015, Secretarial Standard on Meetings of Board of Directors (SS-1) and other applicable laws and regulations.

**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 financial year and the number of Directorship(s) and Committee Chairmanship(s)/ Membership(s) held by them in other companies is given below. Other Directorships do not include Alternate Directorships, Directorships of Private Limited Companies, Section 8 Companies and Foreign Companies.

Name of Director	Category/ Nature of Directorship	Attendance Particulars		No. of Directorships in other Public Companies#	*Committee Membership/ Chairmanship of other Companies		No. of Shares held in the Company alongwith (%) of the paid up Capital	Directorship held in other listed Companies	Inter-se Relationship
		Board Meeting	Last AGM		Member	Chairman			
Dipakkumar G. Patel	Chairman & Whole-time Director	8 of 9	Yes	2	1	–	11758752 (23.89%)	Not Applicable	Father of Aneri D. Patel and Brother of Shekhar G. Patel
Shekhar G. Patel	Managing Director	7 of 9	Yes	4	–	2	13306662 (27.03%)	Not Applicable	Brother of Dipakkumar G. Patel and Uncle of Aneri D. Patel
Aneri D. Patel	Non-executive Director	9 of 9	Yes	–	–	–	200000 (0.41%)	Not Applicable	Daughter of Dipakkumar G. Patel and Niece of Shekhar G. Patel
Bharat J. Patel	Independent Director	9 of 9	No	1	–	–	Nil	Not Applicable	–
Tarang M. Desai	Independent Director	8 of 9	Yes	1	1	Nil	Nil	Not Applicable	–
Ashish H. Modi	Independent Director	9 of 9	Yes	4	2	Nil	3000	Independent Director in Vadilal Enterprises Limited, Vadilal Chemicals Limited and Shrenik Limited	–

# Public companies includes private companies which are subsidiaries of public company

\* For the purpose of above only Audit and Stakeholders' Relationship Committee is taken into consideration.

**Code of conduct for the Board of Directors and senior management personnel:**

In terms of Regulation 17(5) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has adopted the Code of Conduct for the Board of Directors and Senior Management Personnel of the Company. The compliance of the said code has been affirmed by them annually. The Code of Conduct also includes the duties of Independent Directors. A copy of the Code has been put up on the Company's website [www.ganeshhousing.com](http://www.ganeshhousing.com). A declaration signed by the Managing Director of the Company is as under:

**DECLARATION ON CODE OF CONDUCT**

This is to declare 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 31st March, 2019, received a declaration of compliance with the Code of Conduct from the senior management personnel of the Company and the members of the Board.

**Shekhar G. Patel**

Managing Director  
(DIN: 00005091)

Ahmedabad, 30<sup>th</sup> May, 2019

**Skills/expertise/competencies of Board of Directors:**

The following is the list of core skills/expertise/competencies identified by the Board of Directors as required in the context of the company's aforesaid business for it to function effectively and those available with the board as a whole.

- (i) Management and Leadership skills/experience: Coordination of the multifarious activities of a business in order to achieve preconceived objects and missions and the process of dealing with or controlling things or people. Leadership includes ability of an individual to influence, motivate, and enable others to contribute toward the success of an organization.
- (ii) Corporate Governance: Implementation of good corporate governance practices, rules and procedures by which company is directed or controlled. Corporate Governance shall balance the interest of Company's stakeholders and regulate company's responsibility towards customers, employees, regulatory bodies, suppliers and other stakeholders.
- (iii) Financial Skills: Experience in handling financial management and understanding accounting and financial statements.
- (iv) Covering various facets of business operations: Understanding business dynamics, development of business, and manage organization in diverse business environment.

**Board Committees:**

The terms of reference of Board Committees are determined by the Board from time to time. Presently the Company has Four (4) committees i.e. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. All the decisions pertaining to the constitution of the Committees, appointment of members, and fixing of terms of reference for committee members are taken by the Board of Directors. Details on the role and composition of these committees, including the number of meetings held during the financial year and the related attendance, are provided in detailed hereinafter.

There were no instances during the financial year 2018-2019, wherein the Board had not accepted recommendations made by any committee of the Board.

**3. AUDIT COMMITTEE**

The purpose of the Committee is to assist the Board in fulfilling its overall responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities. The Committee carries out its functions as per the powers and roles given under Regulation 18 of SEBI LODR read with Part C of Schedule II and Companies Act, 2013.

**Powers, Terms of Reference and Role of Committee**

The Powers, Terms of reference and Role of Audit Committee as provided under Section 177 of Companies Act, 2013, and the SEBI LODR, is as under:

**a. Powers of Committee:**

The Committee-

- (1) May call for comments of auditors about internal control system, scope of audit, including observations of auditors and review of financial statement before their submission to board;
- (2) May discuss any related issues with internal and statutory auditors and management of the Company;
- (3) To investigate into any matter in relation to above items or referred to it by Board;
- (4) To obtain legal or professional advice from external sources and have full access to information contained in the records of the Company;
- (5) To seek information from any employee;
- (6) To secure attendance of outsiders with relevant expertise, if it considers necessary;
- (7) Any other power as may be delegated to the Committee by way of operation of law.

**b. Terms of Reference:**

- (1) Review and monitor the auditors' independence and performance, and effectiveness of audit process;
- (2) Examination of the financial statement and auditors' report thereon;
- (3) Approval or any subsequent modification of transactions of the company with related parties'
- (4) Scrutiny of inter-corporate loans and investment;
- (5) Valuation of undertakings or assets of the company, wherever it is necessary;
- (6) Evaluation of internal financial controls and risk management systems;
- (7) Monitoring the end use of funds raised through public offers and related matters
- (8) Any other matters as prescribed by law from time to time.

**c. Role of Committee:**

The role of the Audit Committee shall include the following:

- (1) 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;
- (2) Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- (3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

- (4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
    - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
    - Changes, if any, in accounting policies and practices and reasons for the same;
    - Major accounting entries involving estimates based on the exercise of judgment by management;
    - Significant adjustments made in the financial statements arising out of audit findings;
    - Compliance with listing and other legal requirements relating to financial statements;
    - Disclosure of any related party transactions;
    - Qualifications in the draft audit report.
  - (5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  - (6) Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  - (7) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
  - (8) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - (9) 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 audit;
  - (10) Discussion with internal auditors of any significant findings and follow up there on;
  - (11) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
  - (12) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - (13) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - (14) To review the functioning of the Whistle Blower mechanism (i.e. Vigil Mechanism);
  - (15) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
  - (16) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- d. Review of Information by the Committee:**
- The Audit Committee shall mandatorily review the following information:
- (1) Management discussion and analysis of financial condition and results of operations;
  - (2) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  - (3) Management letters/letters of internal control weaknesses issued by the statutory auditors;
  - (4) Internal audit reports relating to internal control weaknesses; and
  - (5) The appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the Audit Committee.
- Composition of Committee, Meeting and Attendance of each Member at Meetings:**
- During the Year under review, the Committee met Four (4) times viz. 30<sup>th</sup> May, 2018; 14<sup>th</sup> August, 2018; 14<sup>th</sup> November, 2018 and 14<sup>th</sup> February, 2019. 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 during the year are stated hereunder:

Name	Category	Position	Meetings	
			Held	Attended
Mr. Ashish H. Modi	Independent and Non-Executive Director	Chairman	4	4
Dr. Tarang M. Desai	Independent and Non-Executive Director	Member	4	4
Mr. Shekhar G. Patel	Managing Director	Member	4	2

The Company Secretary of the Company acts as a Secretary to the Committee. The Constitution of the Audit Committee is in line with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI LODR.

#### 4. NOMINATION AND REMUNERATION COMMITTEE:

The role of Committee is as prescribed under Regulation 19 of SEBI LODR read with Part D of Schedule II. The Remuneration Policy and criteria for evaluation of Independent Directors and Board is available on the website of the Company viz. [www.ganeshhousing.com](http://www.ganeshhousing.com).

##### Terms of reference:

- (1) Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down;
- (2) Recommend to Board their appointment and removal;
- (3) Formulation of criteria for evaluation of Independent Directors and the Board;
- (4) Carry out evaluation of every directors' performance;
- (5) Formulate criteria for determining qualification, positive attributes and independence of director;
- (6) Recommend the Board, a Policy, relating to the remuneration for the directors, KMP and other employees and on Board's diversity.  
Explanation: Senior Management means personnel who are members of the core management team excluding BOD comprising all members of management one level below the executive directors, including functional heads.
- (7) Other terms of reference as prescribed under Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

##### Composition of Committee, Meeting and Attendance of each Member at Meetings:

During the Year under review, the Committee met Four (4) times viz. 30<sup>th</sup> May, 2018; 27<sup>th</sup> September, 2018; 14<sup>th</sup> November, 2018; and 28<sup>th</sup> March, 2019.

The names of the members of the Committee, its Chairman and the details of meetings attended by them are stated hereunder:

Name	Category	Position	Meetings	
			Held	Attended
Mr. Ashish H. Modi	Independent and Non-Executive Director	Chairman	4	4
Dr. Tarang M. Desai	Independent and Non-Executive Director	Member	4	3
Ms. Aneri D. Patel	Promoter and Non-Executive Director	Member	4	4

##### Remuneration of Directors:

The remuneration paid to the Executive Directors viz. Managing Director and Whole-time Director of the Company is recommended by Nomination and Remuneration Committee and approved by the Board of Directors as well as the Shareholders of the Company. The remuneration of the Executive Directors has two components: fixed pay and variable pay. While the fixed pay is paid to the Directors on monthly basis, variable pay includes Commission payable to executive directors which is based on Net Profit of the Company as calculated under Section 198 of Companies Act, 2013 read with Schedule V to the Act.

Name of Director	Remuneration (p.a.) (₹ in lakhs)	Commission	Perquisites (p.a.) (₹ in lakhs)	Tenure
Dipakkumar G. Patel Whole-time Director	120.00	—	2.12	5 years (Mr. Dipakkumar G. Patel was re-appointed as Whole-time Director of the Company w.e.f. 1 <sup>st</sup> October, 2017 up to 30 <sup>th</sup> September, 2022 which was approved by the Members at its meeting held on 27 <sup>th</sup> September, 2017)
Shekhar G. Patel Managing Director	120.00	—	1.93	5 years (Mr. Shekhar G. Patel was re-appointed as Managing Director of the Company w.e.f. 1 <sup>st</sup> July, 2014 up to 30 <sup>th</sup> June, 2019 which was approved by the members through resolution passed by way of Postal Ballot on 31 <sup>st</sup> July, 2014)



According to the terms of appointment the above mentioned Directors are entitled to commission of 1% on the net profits of the Company calculated as per the provisions of Sections 197 and 198 of the Companies Act, 2013. During the year under review, no commission was paid to the Directors.

Apart from sitting fees, non-executive directors do not receive any other consideration except in their professional capacity. Further, the non-executive directors are paid sitting fees within the limits as stipulated under Section 197 of Companies Act, 2013, for attending Board/Committee Meetings. Sitting Fees paid to Directors does not require the approval of Shareholders and Central Government. During the year under review, non-executive directors were paid Sitting Fees as under:

Name of Directors	Amount (₹ in lakhs)
Ms. Aneri D. Patel	0.27
Dr. Bharat J. Patel	0.23
Dr. Tarang M. Desai	0.54
Mr. Ashish H. Modi	0.56
<b>Total</b>	<b>1.60</b>

## 5. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The role of Stakeholders Relationship Committee have been specified as per Regulation 20 of SEBI LODR read with Part D of the Schedule II thereof.

### Terms of Reference:

This Committee is specifically responsible for the Redressal of Shareholders, Debenture holders and other security holders grievances including non-receipt of Annual reports, non-receipt of declared dividend, Transfer/Transmission/Demat of Securities/Issue of Duplicate Certificates, etc. The Committee also oversees the performance of the Registrar & Transfer agents of the Company relating to the investors' services and recommends measures for improvement.

### Composition of Committee, Meetings and Attendance of each Member at Meetings:

During the Year under review the Committee held Twenty Two (22) meetings viz. 10<sup>th</sup> April, 2018; 21<sup>st</sup> May, 2018; 31<sup>st</sup> May, 2018; 30<sup>th</sup> June, 2018; 31<sup>st</sup> July, 2018; 10<sup>th</sup> August, 2018; 20<sup>th</sup> August, 2018; 31<sup>st</sup> August, 2018; 10<sup>th</sup> September, 2018; 13<sup>th</sup> September, 2018; 29<sup>th</sup> September, 2018; 10<sup>th</sup> October, 2018; 20<sup>th</sup> October, 2018; 31<sup>st</sup> October, 2018; 20<sup>th</sup> November, 2018; 30<sup>th</sup> November, 2018; 10<sup>th</sup> December, 2018; 10<sup>th</sup> January, 2019; 31<sup>st</sup> January, 2019; 20<sup>th</sup> February, 2019; 11<sup>th</sup> March, 2019 and 30<sup>th</sup> March, 2019. Further, the Committee consists of following:

Name	Category	Position	Meetings	
			Held	Attended
Mr. Ashish H. Modi	Independent and Non-Executive Director	Chairman	22	22
Dr. Tarang M. Desai	Independent and Non-Executive Director	Member	22	20
Mr. Shekhar G. Patel	Managing Director	Member	22	21

### Name and Designation of Compliance Officer

Ms. Priti Kapadia, Company Secretary of the Company acts as the Compliance Officer.

### Details of complaints received and redressed:

Number of complaints outstanding as on 01/04/2018	:	Nil
Number of complaints received from the investor from 01/04/2018 to 31/03/2019	:	Nil
Number of complaints solved to the satisfaction of the Investors as on 31/03/2019	:	Nil
Number of complaints pending as on 31/03/2019	:	Nil

## 6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

As required under section 135 of the Companies Act, 2013 the company has formed a CSR committee consisting of three (3) members.

### Terms of Reference:

- formulate and recommend to the Board, a Corporate Social Responsibility Policy as per the contents provided under Companies (Corporate Social Responsibility) Rules, 2014 (as amended from time to time) which shall indicate the activities to be undertaken by the company as specified in Schedule VII (as amended from time to time);
- recommend the amount of expenditure to be incurred on the activities; and
- monitor the Corporate Social Responsibility Policy of the company from time to time.

### Meeting and Attendance of each Member at Meetings:

The committee met Four (4) times during the financial year ended 31<sup>st</sup> March, 2019 viz. 30<sup>th</sup> June, 2018; 14<sup>th</sup> August, 2018; 30<sup>th</sup> November, 2018 and 28<sup>th</sup> March, 2019. The attendance record of the members at the meeting were as follows:

Name	Category	Position	Meetings	
			Held	Attended
Mr. Dipakkumar G. Patel	Chairman & Whole-time Director	Chairman	4	3
Mr. Shekhar G. Patel	Managing Director	Member	4	4
Dr. Tarang M. Desai	Independent and Non-Executive Director	Member	4	4

## 7. SUBSIDIARY COMPANIES:

As on 31<sup>st</sup> March, 2019, the Company has Two (2) Subsidiary Companies viz. Essem Infra Private Limited and Gatil Properties Private Limited out of which none is listed on any stock exchanges. Both the Subsidiaries are covered under the criteria of material non-listed Indian Subsidiary Company as defined under Regulation 16(1)(c) of SEBI LODR. Accordingly, Mr. Ashish H. Modi, Independent Director of the Company is on the Board of Directors of Essem Infra Private Limited and Dr. Tarang M. Desai, Independent Director of the Company is on the Board of Gatil Properties Private Limited. The Company has formulated policy for determining 'material' subsidiaries which has been disclosed on the website of the Company. The web link of the policy is <http://www.ganeshhousing.com/wp-content/pdf/policy-on-material-subsidaries.pdf>.

During the year under review, Maheshwari (Thaltej) Complex Private Limited ceased to be subsidiary of the Company w.e.f. 29<sup>th</sup> June, 2018.

Further, the financial statements of said Unlisted Subsidiary Companies were reviewed by the Audit Committee of the Company. The Company has neither disposed of any shares nor sold, dispose and lease any assets of material subsidiary. The Minutes of the Meetings of Board of Directors of Subsidiary Companies have been regularly placed before the Board of the Company. A statement of all the significant transactions and arrangements, if any, entered into by the unlisted subsidiary companies were periodically brought to the attention of Board of Directors of the Company.

## 8. RELATED PARTY TRANSACTIONS

During the year under review, none of the transactions with related parties required approval of Board or members within the ambit of Section 188(1) of the Companies Act, 2013. The information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in *Annexure - E* in Form No. AOC-2 and the same forms part of this report. Further, all transactions entered into with Related Parties during the financial year were in the ordinary course of business and on an arm's length pricing basis.

The details of related party transactions in terms of sub-regulation (8) of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as required by the Indian Accounting Standards (IND AS-24) has been made in the notes to the Standalone and Consolidated Financial Statements. Further, during the year under review there was one materially significant transactions (based on cumulative holding), for which approval of members has been received by way of Special Resolution passed at the 27<sup>th</sup> Annual General Meeting of the members of the Company held on 29<sup>th</sup> September, 2018.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website. The web link of the policy is <http://www.ganeshhousing.com/wp-content/pdf/policy-on-related-party-transaction.pdf>.

## 9. WEBSITE

The Company ensures dissemination of applicable information under Regulation 46(2) of the SEBI LODR on the Company's website viz. [www.ganeshhousing.com](http://www.ganeshhousing.com). A separate section on 'Investors' on the website contains details relating to the financial results declared by the Company, annual reports, code and policies adopted under SEBI LODR, presentations made by the Company to investors, shareholding patterns and such other material information which is relevant to shareholders.

## 10. PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company as per the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

During the year under review, the Board of Directors of the Company at its meeting held on 28<sup>th</sup> March, 2019, revised the Code of Conduct for prevention of Insider Trading pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 to be effective from 1<sup>st</sup> April, 2019.

## 11. CREDIT RATINGS AND ANY REVISION THERETO:

The Company has not issued any debt instruments and does not have any fixed deposit programme or any scheme or proposal involving mobilization of funds in India or abroad during the financial year ended 31<sup>st</sup> March, 2019. The rating given by Brickwork Ratings India Pvt. Ltd. for long-term borrowings of the Company is BBB. There was no revision in the said rating during the year under review.

## 12. GENERAL BODY MEETINGS:

Details of last three Annual General Meetings are as follows:

Year	Date	Time	Venue
2015-2016	30 <sup>th</sup> September, 2016	3.00 p.m.	Ganesh Corporate House, 100 feet, Hebatpur-Thaltej Road, Nr. Sola Bridge, Off. S. G. Highway, Ahmedabad 380 054
2016-2017	27 <sup>th</sup> September, 2017	3.00 p.m.	Ganesh Corporate House, 100 feet, Hebatpur-Thaltej Road, Nr. Sola Bridge, Off. S. G. Highway, Ahmedabad 380 054
2017-2018	29 <sup>th</sup> September, 2018	3.00 p.m.	Ganesh Corporate House, 100 feet, Hebatpur-Thaltej Road, Nr. Sola Bridge, Off. S. G. Highway, Ahmedabad 380 054

## SPECIAL RESOLUTIONS

Two (2) Special Resolutions were put through in the last three years' Annual General Meetings.

No Extra Ordinary General Meeting was held during the year 2018-2019.

## POSTAL BALLOTS

No Special Resolution was passed during the year 2018-2019 by the way of postal ballot.

## 13. DISCLOSURE

### (a) Material Related Party Transaction:

During the year 2018-2019, there was no materially significant related party transaction that may have potential conflict with the interests of the Company at large. Attention of members is drawn to the disclosure of transactions with the related parties set out in Notes to Accounts - Note No. 43, forming part of the Annual Report.

### (b) Disclosure of Compliance with Corporate Governance requirements under Regulations 17 to 27 and Regulation 46(2)(B) to (I)

All complied with except Regulation 25(6) and Regulation 21 which are not applicable to the Company.

### (c) Compliances

There were neither any instances of non-compliance by the Company nor there were any penalties or strictures 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.

**(d) Whistle Blower**

The Company has established a vigil mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethic policy. The said mechanism also provides for adequate safeguards against victimization of director(s)/ Employee(s) who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The details of establishment of such mechanism has been disclosed in the Board's Report. Further, the Policy on Vigil Mechanism is available on the website of the Company. It is affirmed that no personnel has been denied access to Audit Committee.

**(e) Risk Management**

Business risk evaluation and management is an ongoing process within the Company. During the year under review, the Management reviewed the risk management and minimization procedure adopted by the Company covering the business operations of the Company.

**(f) Proceeds from public issues, rights issues, preferential issues etc.**

During the year under review, the Company has not raised any proceeds from public issue, right issue, preferential issues, etc.

The Company has not raised funds through preferential allotment or qualified institutional placement, hence the details as specified under Regulation 32(7A) of SEBI LODR is not mentioned under this report.

**(g) CEO/CFO Certification**

In terms of Regulation 17(8) read with part B of Schedule II of SEBI LODR, the Certification by CEO and CFO has been obtained and the said certification has been placed before the Board Members of the Company for perusal.

**(h) Accounting treatment**

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

**(i) Secretarial Compliance Report**

SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated 8<sup>th</sup> February, 2019 read with Regulation 24(A) of the Listing Regulations, directed listed entities to conduct Annual Secretarial compliance audit from a Practicing Company Secretary of all applicable SEBI Regulations and circulars/guidelines issued thereunder. The said Secretarial Compliance report is in addition to the Secretarial Audit Report by Practicing Company Secretaries under Form MR – 3 and is required to be submitted to Stock Exchanges within 60 days of the end of the financial year.

Accordingly, the Company has engaged the services of Mr. Anand Lavingia (CP No. 11410), Practicing Company Secretary and Secretarial Auditor of the Company for providing this certification. The Company is publishing the said Secretarial Compliance Report, on voluntary basis and the same has been annexed as *Annexure - D2* to the Board's Report forming part of this Annual Report.

**(j) Total fees paid to Statutory Auditors of the Company**

Total fees of ₹ 2,02,000/- (Rupees Two Lakhs Two Thousand only) plus GST for financial year 2018-2019, for all services, was paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

**(k) Disclosure relating to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has in place an effective mechanism for dealing with complaints relating to sexual harassment at workplace. The details relating to the number of complaints received and disposed of during the financial year 2018-2019 are prescribed under Board's Report forming part of this Annual Report.

**(l) Details of Compliance with mandatory requirements and adoption of non-mandatory requirements**

The Company has complied with the applicable mandatory requirements as specified under Regulation 15 of SEBI LODR. The Company has adopted following non-mandatory requirements as prescribed under Regulation 27(1) read with Part E of Schedule II of the SEBI LODR.

The Board: Since the company does not have a non-executive chairman it does not maintain such office.

Shareholders Rights: The quarterly and half-yearly financial results are published in widely circulated dailies and also displayed on Company's website viz. [www.ganeshhousing.com](http://www.ganeshhousing.com). Hence, these are not individually sent to the Shareholders.

Modified Opinion(s) in audit report: There is no modified opinion given in the Auditors' Report on Financial Accounts.

Separate posts of Chairman and CEO: The Company has separate persons appointed for the post of Chairman and Managing Director/CEO.

Reporting of Internal Auditor: The internal auditor directly reports to audit committee.

**14. MEANS OF COMMUNICATION**

**Intimation to Stock Exchange(s)** - Your Company believes that all the stakeholders should have access to adequate information about the Company. All information, which could have a material bearing on the share prices, is released at the earliest

to the BSE Limited and National Stock Exchange of (India) Ltd. in accordance with the requirements of SEBI LODR through BSE Corporate Compliance & Listing Centre (the "Listing Centre") and NSE Electronic Application Processing System (NEAPS) respectively.

**Newspapers** - The financial results and other communications of the Company were normally published in 'Financial Express (English)' and 'Financial Express (Gujarati)'.

**Website** - The financial results were also displayed on the Company's website viz. [www.ganeshhousing.com](http://www.ganeshhousing.com). The Company also keeps on updating its website with other relevant information, as and when required.

The company updates official news releases and any presentations made to the institutional investors or analysts, if any, on its official website viz. [www.ganeshhousing.com](http://www.ganeshhousing.com).

**SEBI Complaints Redress System (SCORES)** - The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

**Designated Exclusive email-ID:** The Company has exclusively designated email-id viz. [investors@ganeshhousing.com](mailto:investors@ganeshhousing.com) for investor servicing.

## 15 GENERAL SHAREHOLDERS INFORMATION

### A. Date, time and venue of 28<sup>th</sup> Annual General Meeting of

Ganesh Housing Corporation Limited  
[CIN: L45200GJ1991PLC015817]

**On** Saturday, 14<sup>th</sup> September, 2019 at 3.00 p.m.

**At:** Registered Office of the Company  
Ganesh Corporate House  
100 Feet Hebatpur – Thaltej Road,  
Near Sola Bridge, Off S. G. Highway,  
Ahmedabad - 380 054

### B. Financial Year

The year under review is for Twelve (12) months from 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019

### C. Financial Calendar:

*(Tentative and subject to change for the financial year 2019-2020)*

Quarter ending	Release of Results
30 <sup>th</sup> June, 2019	Second week of August, 2019
30 <sup>th</sup> September, 2019	Second week of November, 2019
31 <sup>st</sup> December, 2019	Second week of February, 2020
31 <sup>st</sup> March, 2020	End of May, 2020
Annual General Meeting for the year ending 31 <sup>st</sup> March, 2020	End of September, 2020

### D. Date of Book Closure:

7<sup>th</sup> September, 2019 (Saturday) to 13<sup>th</sup> September, 2019 (Friday) (Both the days inclusive)

### E. Rate of Dividend and Dividend Payment Date:

Dividend of Rs. 0.50 (Fifty Paise Only) per equity share i.e. 5% as recommended by the Board is subject to the approval of the Shareholders at the Annual General Meeting to be held on 14<sup>th</sup> September, 2019.

The proposed dividend, if approved by the shareholders, shall be paid on or after 19<sup>th</sup> September, 2019, within the statutory time limit to those members whose names appear on register of members as at end of day on 6<sup>th</sup> September, 2019.

### F. Details of Stock Exchanges where listed:

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, 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
Scrip Code -526367 Scrip ID – GANESHOUC Scrip forms part of Group/Index B/S&P BSE SmallCap	Company Symbol - GANESHOUC
ISIN Equity shares NSDL/CDSL - INE 460 C 01014	

Listing fees for the financial year 2019-2020 have been paid to the aforesaid Stock Exchanges.

The Company has also paid Annual Custodial Fees for financial year 2019-2020 to Central Depository Services (India) Limited (CDSL). Further, as on date of this report, the Company has not received invoice for the Annual Custodial Fees for the financial year 2019-2020 from National Securities Depository Limited (NSDL) and hence the same is pending.



**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	Company			BSE	
	High (in ₹)	Low (in ₹)	Volume (Nos.)	Sensex (High)	Sensex (Low)
April 2018	146.85	119.25	814759	35,213.30	32,972.56
May 2018	140.30	115.00	742851	35,993.53	34,302.89
June 2018	127.00	94.10	598456	35,877.41	34,784.68
July 2018	107.60	89.80	337152	37,644.59	35,106.57
August 2018	110.90	92.20	298206	38,989.65	37,128.99
September 2018	96.05	70.00	196427	38,934.35	35,985.63
October 2018	76.85	60.70	663330	36,616.64	33,291.58
November 2018	71.80	55.50	405027	36,389.22	34,303.38
December 2018	74.50	52.40	566977	36,554.99	34,426.29
January 2019	75.00	56.05	209297	36,701.03	35,375.51
February 2019	63.50	50.50	91227	37,172.18	35,287.16
March 2019	70.80	57.00	123682	38,748.54	35,926.94

Month	Company			NSE	
	High (in ₹)	Low (in ₹)	Volume (Nos.)	Nifty 50 (High)	Nifty 50 (Low)
April 2018	146.25	119.10	3641242	10759.00	10111.30
May 2018	141.60	115.00	1653179	10929.20	10417.80
June 2018	127.40	93.80	2379592	10893.25	10550.90
July 2018	107.85	89.50	1416206	11366.00	10604.65
August 2018	110.65	92.25	1537468	11760.20	11234.95
September 2018	96.05	69.95	1384670	11751.80	10850.30
October 2018	76.95	57.30	1440150	11035.65	10004.55
November 2018	71.00	55.90	991121	10922.45	10341.90
December 2018	74.80	52.50	949509	10985.15	10333.85
January 2019	74.90	56.05	724840	10987.45	10583.65
February 2019	63.70	50.00	801057	11118.10	10585.65
March 2019	71.00	57.65	958963	11630.35	10817.00

**H. Registrar and Transfer Agents:**

M/s. MCS Share Transfer Agent Limited, 101 Shatdal Complex, Opp. Bata Show Room, Ashram Road, Ahmedabad – 380 009, Tel. Nos. 079 – 26580461, 26580462, 26580463, Fax No. 079 – 3007 0678. E-mail: mcsstaahmd@gmail.com.

**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 transfer(s) and accordingly approves the transfer(s) which is reviewed by Stakeholder Relationship Committee of Directors. The share certificate(s) duly transferred are sent by the transfer agent to the transferees, which completes the transaction. In case of any complaint from shareholder(s) 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(s).

**J. Distribution of shareholding (As on March 31, 2019)****(a) On the basis of Nominal value of each Share held**

Range of No. of Equity Shares	No. of Shareholders	Percentage to total Shareholders	No. of shares held	Percentage to total shares held
Up to 500	19783	85.60	2510468	5.10
501-1000	1615	6.99	1287316	2.61
1001-2000	816	3.53	1241161	2.52
2001-3000	281	1.22	715428	1.45
3001-4000	116	0.50	413913	0.84
4001-5000	119	0.52	563611	1.15
5001-10000	191	0.83	1430175	2.91
10001-50000	128	0.55	2783789	5.66
50001-100000	22	0.09	1555967	3.16
100001-Above	39	0.17	36725262	74.60
<b>TOTAL</b>	<b>23110</b>	<b>100.00</b>	<b>49227090</b>	<b>100.00</b>

**(b) On the basis of Category**

Category	No. of shares held	Percentage to total shares held
Indian Promoters	26762084	54.36
MF/UTI	57975	0.12
FIs/Banks	17877	0.04
FIs	1161661	2.36
Corporate Bodies	5261434	10.69
HUF	891722	1.81
NRIS	2086537	4.24
Indian Public	12825898	26.06
IEPF	161902	0.33
<b>TOTAL</b>	<b>49227090</b>	<b>100.00</b>

**K. Dematerialization of Shares and Liquidity (as on 31<sup>st</sup> March, 2019):**

Electronic/Physical	No. of Shares	Percentage
NSDL	40403221	82.08
CDSL	8482484	17.23
Physical	341385	0.69
<b>Total</b>	<b>49227090</b>	<b>100.00</b>

48885705 equity shares were held in the demat form as on 31<sup>st</sup> March, 2019, constituting 99.31% of the total paid up share capital. The shares are actively traded on BSE Limited 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 has not issued any GDRs/ADRs/Warrants or any Convertible instruments till date. Hence, there are no outstanding GDRs/ADRs/Warrants or any Convertible instruments.

**M. Plant Locations**

The Company is engaged in Construction of Residential and Commercial Complexes. 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:

**Ms. Priti Kapadia**

Company Secretary  
Ganesh Housing Corporation Limited  
Ganesh Corporate House, 100 Feet Hebatpur – Thaltej Road  
Near Sola Bridge, Off. S. G. Highway, Ahmedabad - 380 054  
Tel. No. +91 - 79 - 6160 8888  
Fax No. +91 - 79 - 6160 8899  
E-mail: investors@ganeshhousing.com

**O. Compliance Certificate of the Auditors**

A Certificate from the Practicing Company Secretary, Ahmedabad as stipulated under Regulation 34 read with Schedule V of the SEBI LODR, is attached to this Report as **Annexure - I**.

**ANNEXURE - I****Certificate on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To  
The Members  
Ganesh Housing Corporation Limited,  
Ganesh Corporate House,  
100 Feet Hebatpur-Thaltej Road,  
Nr. Sola Bridge, Off S. G. Highway,  
Ahmedabad - 380 054

We have examined all the relevant records of Ganesh Housing Corporation Limited for the purpose of certifying compliance of the conditions of the Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the financial year ended March 31, 2019. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the corporate governance.

In our opinion and to the best of our information and according to the explanations and information furnished to us, we certify that the Company has complied with all the mandatory requirements of Corporate Governance as stipulated in Regulations 17 to 27 and 46(2)(B) to (I) and Schedule II of the said Regulations except regulation 21 and 25(6) which are not applicable to the Company. As regards Discretionary Requirements specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has complied with items C, D and E.

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date : 30<sup>th</sup> May, 2019  
Place : Ahmedabad

**Anand Sureshbhai Lavingia**  
Practicing Company Secretary  
ACS No.:26458  
C P No.:11410

# SECRETARIAL AUDIT REPORT

## Form No. MR-3

For the financial year ended March 31, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and  
Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

### GANESH HOUSING CORPORATION LIMITED

Ganesh Corporate House, 100 Feet Hebatpur – Thaltej Road,  
Near Sola Bridge, Off. S. G. Highway,  
Ahmedabad – 380 054

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **GANESH HOUSING CORPORATION LIMITED** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that, in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

- i. The Companies Act, 2013 ('the Act') and the rules made there under as applicable;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

- iv. Foreign Exchange Management Act, 1999 (FEMA) and the rules and regulations made there under to the extent of Foreign Direct Investment;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and circulars/guidelines/Amendments issued there under;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and circulars/guidelines/Amendments issued there under;
  - c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and circulars/guidelines/Amendments issued there under;
  - d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars/guidelines/Amendments issued there under; and
  - e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and circulars/guidelines/Amendments issued there under.
- vi. Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules made there under, Regulations, Guidelines etc. mentioned above.

Further company being engaged in the business of Construction, there are few specific applicable acts/rules to the Company, which requires approvals or compliances under the respective acts/rules, as list out in the **Annexure - A**. We have relied on the representation made by the Company and its officers for system and mechanism framed by the Company for compliances of the said specific acts/rules.



During the Period under review, provisions of the following Acts, Rules, Regulations, Standards were not applicable to the Company,

- i. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; - the Company is not registered as Registrar to an Issue & Share Transfer Agent. However, the Company has appointed MCS Share Transfer Agent Limited as Registrar & Share Transfer Agent as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- iii. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- iv. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- v. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment and External Commercial Borrowings; and

#### I further report that –

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Women Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

#### I further report that –

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

#### I further report that –

Since the company has not commenced any new projects during the audit period, it does not require obtaining an approval under Real Estate (Regulations and Development) Act, 2016.

Place: Ahmedabad

Date: May 30, 2019

Signature:

Name of Practicing Company

Secretary: Anand Lavingia

ACS No. : 26458

C P No. : 11410

**Note:** This Report is to be read with **Annexure - A** and my letter of even date which is annexed as **Annexure - B** and both Annexure form integral part of this report.

**ANNEXURE - A**

**List of major Specific Acts/Rules applicable to the Company**

1. The Gujarat Town Planning and Urban Development Act, 1976
2. The Special Economic Zones Act, 2005
3. The Gujarat Special Economic Zone Act, 2004
4. The Environment (Protection) Act, 1986
5. The Gujarat Land Revenue Code, 1879
6. The Gujarat Tenancy & Agricultural Lands Act, 1948
7. The Registration Act, 1908
8. The Indian Stamp Act, 1899
9. The Transfer of Property Act, 1882
10. The Gujarat Stamp Act, 1958
11. The Gujarat Ownership Flats Act, 1973
12. The Indian Contract Act, 1872
13. The Contract Labour (Regulation and Abolition) Act, 1970
14. The Gujarat Shops and Establishments Act, 1948
15. The Building and other construction worker (Regulation of Employment and Conditions of Services) Act, 1996
16. Gujarat Real Estate (Regulation and Development) General Rules, 2017

**ANNEXURE - B**

To,

The Members,

**GANESH HOUSING CORPORATION LIMITED**

Ganesh Corporate House, 100 Feet Hebatpur – Thaltej Road,  
Near Sola Bridge, Off. S. G. Highway,  
Ahmedabad – 380 054

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis, on the records and documents provided by the Management of the Company, to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices followed by me provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to verification of procedures on test basis.
5. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Ahmedabad

Signature:

Date : May 30, 2019

Name of Practicing Company  
Secretary: Anand Lavingia  
ACS No. : 26458  
C P No. : 11410

## ANNEXURE - D2

# ANNUAL SECRETARIAL COMPLIANCE REPORT

## SECRETARIAL COMPLIANCE REPORT OF GANESH HOUSING CORPORATION LIMITED for the year ended on March 31, 2019

I, Anand Sureshbhai Lavingia, Practicing Company Secretary, has examined:

- all the documents and records made available to us and explanation provided by Ganesh Housing Corporation Limited ("the Company" or "the listed entity"),
- the filings/submissions made by the listed entity to the stock exchanges,
- website of the listed entity and
- all other document/filing, as may be relevant, which has been relied upon to make this certification,

for the year ended on March 31, 2019 ("Review Period") in respect of compliance with the provisions of;

- the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");
- The specific Regulations, whose provisions and the circulars/guidelines issued thereunder, have been examined, include;
  - Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 up to October 2, 2018 and Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 w.e.f. October 3, 2018;
  - and circulars/guidelines/Amendments issued thereunder,

and based on the above examination, I hereby report that, during the Review Period;

- The listed entity has complied with the provisions of the above Regulations and circulars/guidelines issued thereunder to the extent applicable and in the manner prescribed, except in respect of matters specified below;

Sr. No.	Compliance Requirement (Regulations/circulars/ guidelines including specific clause)	Deviations	Observations/Remarks of the Practicing Company Secretary
1.	Nil	Nil	Nil

- The listed entity has maintained proper records under the provisions of the above Regulations and circulars/guidelines issued thereunder insofar as it appears from my examination of those records.
- The following are the details of actions taken against the listed entity/its promoters/directors/material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/Regulations and circulars/guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/remarks of the Practicing Company Secretary, if any.
1.	Nil	Nil	Nil	Nil

## GANESH HOUSING CORPORATION LIMITED

(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended*	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1.	Nil	Nil	Nil	Nil

*\* This being first Annual Compliance Report, no observation supposed to be made for the previous report. However, there has been no such observation were found and reported by me in previous Secretarial Report (Form MR-3) for the year ended on March 31, 2018 (issued as per Companies Act, 2013).*

I further report that, during the review period, following regulations issued by the Securities and Exchange Board of India were not applicable to the Company, since there were no such instances occurred during the review period that requires the compliance under the said regulations;

- (a) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (b) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
- (c) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (d) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 and
- (e) and circulars/guidelines/Amendments issued thereunder.

Place : Ahmedabad  
Date : 20<sup>th</sup> May, 2019

Anand Sureshbhai Lavingia  
Practicing Company Secretary  
ACS No.: 26458  
C P No.: 11410

## ANNEXURE - E

## Form AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

## 1. Details of contracts or arrangement or transactions not at arm's length basis

(a) Name(s) of the related party and nature of relationship:	Not Applicable
(b) Nature of contracts/arrangements/transactions:	
(c) Duration of the contracts/arrangements/transactions	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	
(e) Justification for entering into such contracts or arrangements or transactions:	
(f) Date(s) of approval by the Board, if any:	
(g) Amount paid as advances, if any:	
(h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188:	

## 2. Details of material contracts or arrangement or transactions at arm's length basis

(a) Name(s) of the related party and nature of relationship:	Not Applicable
(b) Nature of contracts/arrangements/transactions	
(c) Duration of the contracts/arrangements/transactions	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	
(e) Justification for entering into such contracts or arrangements or transactions	
(f) Date(s) of approval by the Board, if any:	
(g) Amount paid as advances, if any:	

Note: All the related party transactions are bench mark for arm's length and approved by Audit Committee, the above disclosure on material transactions are based on threshold of 10% of consolidated turnover for the financial year and considering the continuous nature of transactions for which approval of Board has already been obtained in any of the previous financial year(s) and disclosed in AOC-2 of respective financial year(s) and/or wholly-owned subsidiary are exempt for the purpose of sub-section (1) of Section 188 of the Act.

For &amp; on behalf of Board of Directors

**Dipakkumar G. Patel**Date : 30<sup>th</sup> May, 2019

Place : Ahmedabad

Chairman  
(DIN: 00004766)



# ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A Brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR Policy and Projects or programmes:

Longevity and success for a company comes from living in harmony with the context, which is the community and society. The main objective of CSR policy encompasses the ideas of corporate governance, sustainable wealth creation, corporate philanthropy and advocacy for the goals of the community. The projects undertaken are within the broad framework of Schedule VII of the Companies Act, 2013, as amended from time to time. Our CSR initiatives focus on Education and Environment. Apart from this the Company has also undertaken other CSR projects as provided under the said Schedule.

The Company has framed its CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website at the web link: <http://www.ganeshhousing.com/wp-content/pdf/corporate-social-responsibility-policy.pdf>.

2. The Composition of CSR Committee: Mr. Dipakkumar G. Patel, Chairman; Mr. Shekhar G. Patel, Member and Dr. Tarang M. Desai, Member
3. Average net profit of the Company for last three financial years: Rs. 60,10,16,732/-
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): Rs. 1,20,20,335/-
5. Details of CSR spent for the financial year:
  - a) Total amount to be spent for the financial year: Rs. 1,20,74,195/-
  - b) Amount unspent, if any: Nil
  - c) Manner in which the amount spent during the financial year is detailed below:

(₹ in lakhs)

1	2	3	4	5	6	7	8
Sr. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or Programmes (1) Local area or other (2) Specify the State and District where Projects or Programmes were undertaken	Amount Outlay (budget) Project or Programmes wise	Amount Spent on the Projects or Programmes Sub-heads: (1) Direct Expenditure (2) Overheads	Cumulative expenditure up to the reporting period	Amount Spent: Direct or through implementation agency
1.	Plantation and maintenance of saplings and other activities for protection of environment	Ensuring environmental sustainability & ecological balance	Gujarat, Ahmedabad	18.00	11.85	11.85	Direct
2.	Promotion of Education including Special Education and Other Initiatives	Promoting education	Gujarat, Ahmedabad	85.00	83.93	83.93	Direct and Implementation agency

(₹ in lakhs)

1	2	3	4	5	6	7	8
Sr. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or Programmes (1) Local area or other (2) Specify the State and District where Projects or Programmes were undertaken	Amount Outlay (budget) Project or Programmes wise	Amount Spent on the Projects or Programmes Sub-heads: (1) Direct Expenditure (2) Overheads	Cumulative expenditure up to the reporting period	Amount Spent: Direct or through implementation agency
3.	Promotion of Nationally recognized sports	Promotion of Nationally recognized sports	Gujarat, Ahmedabad	15.00	12.88	12.88	Direct and Implementation agency
4.	Promotion of health care and sanitation	Promotion of health care and sanitation	Gujarat, Ahmedabad	2.20	1.08	1.08	Implementation agency
5.	Eradicating hunger by supplying food for Kerala Flood Relief	Eradicating hunger by supplying food for Kerala Flood Relief – disaster relief	Kerala	0.00	11.00	11.00	Implementation agency
<b>TOTAL</b>				<b>120.20</b>	<b>120.74</b>	<b>120.74</b>	

\* Implementation agency: Shatayu, All India Social Education Charitable Trust, Ladies Circle India Trust, GIHED, CREDAI, etc.

6. In case the Company has failed to spend two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report: Not Applicable
7. The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

**For Ganesh Housing Corporation Limited**

**Shekhar G. Patel**  
Managing Director  
(DIN: 00005091)

**Date: 30<sup>th</sup> May, 2019**  
**Place: Ahmedabad**

**For Ganesh Housing Corporation Limited**

**Dipakkumar G. Patel**  
Chairman of the Committee  
(DIN: 00004766)

**Date: 30<sup>th</sup> May, 2019**  
**Place: Ahmedabad**

# Independent Auditors' Report

TO THE MEMBERS OF:

**GANESH HOUSING CORPORATION LIMITED,**

## Opinion

We have audited the accompanying standalone financial statements of GANESH HOUSING CORPORATION LIMITED ("the company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss (including other Comprehensive Income), the Cash Flow Statement and the statement of changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone financial statement").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

## Basis for opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key audit matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report.

The key audit matters	How our audit addressed the key audit matter
Investment in Subsidiaries and business Advances to Subsidiaries & group companies (refer to note 3, 11 and 45 to the standalone financial statements)	
<p>The carrying amount of the investments in subsidiaries represents 17.13% and the business advances &amp; other advances to subsidiaries, group companies &amp; others represents 48.16% of the Company's total assets respectively.</p> <p><b>Recoverability of investment in subsidiaries</b></p> <p>The Company has investments in subsidiaries which are considered to be associated with significant risk in respect of valuation of such investments. These investments are carried at cost less any diminution in value of such investments, if any. The investments are reviewed for impairment at each reporting date. This assessment is based on the value of net assets of the real estate projects in these underlying entities, which involve significant estimates and judgment, due to the inherent uncertainty involved in forecasting future cash flows as well as estimating market value of assets.</p> <p>In addition, considering the materiality of the investments in subsidiaries vis-à-vis the total assets of the Company, this is considered to be significant to our overall audit strategy and planning.</p>	<p><b>Recoverability of investment in subsidiaries:</b></p> <p><b>Our audit procedures included:</b></p> <ul style="list-style-type: none"> <li>Comparing the carrying amount of investments with the relevant subsidiaries balance sheet to identify whether their net assets, being an approximation of their minimum recoverable amount, were in excess of their carrying amount and assessing whether those subsidiaries have historically been profit-making. We also check the market value of their assets;</li> <li>For the investments where the carrying amount exceeded the net asset value, comparing the carrying amount of the investment with the projected profitability based on approved business plans of the subsidiaries;</li> <li>Testing the assumptions and understanding the cash flows based on our knowledge of the Company and the markets in which the subsidiaries operate; and</li> <li>Considering the adequacy of disclosures in respect of the investment in subsidiaries.</li> </ul>

The key audit matters	How our audit addressed the key audit matter
<p><b>Recoverability of business advances to subsidiaries and group companies</b></p> <p>The Company has extended business advances to subsidiaries &amp; group companies that are assessed for recoverability at each period end.</p> <p>The company has given total loans &amp; advances of ₹ 577.64 crores. Out of this ₹ 287.34 crores are business advances to subsidiaries companies. ₹ 207.46 crores are given to related parties as business advances and also for purchase of land on behalf of the company. ₹ 82.84 crores are given to others as business advances for purchase of land on behalf of the company and other miscellaneous advances at 31 March 2019.</p> <p>Due to the nature of the business in the real estate industry, the Company is exposed to heightened risk in respect of the recoverability of the business advances granted to the aforementioned related parties.</p> <p>There is also judgment involved as to the recoverability of the working capital and project specific business advances, which rely on a number of property developments being completed over the time period specified in agreements.</p>	<p><b>Recoverability of business advances to subsidiaries and group companies:</b></p> <p><b>Our audit procedures included:</b></p> <ul style="list-style-type: none"> <li>• We reviewed the controls in place for issuing new business advances and evidenced the Board/ CFO approval obtained. We obtained management's assessment of the recoverability of the business advances, which includes cash flow projections over the duration of the business advances. These projections are based on underlying property development appraisals;</li> <li>• We tested cash receipts received in relation to these business advances during the year through to bank statement; and</li> <li>• We have obtained independent confirmations to ensure completeness and existence of business advances held by related parties as on 31 March 2019.</li> </ul>
<p><b>Evaluation of uncertain tax positions</b></p> <p>The Company is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business including direct and indirect tax matters. These involve significant management judgment to determine the possible outcome of the uncertain tax positions, consequently having an impact on related accounting and disclosures in the financial statements.</p> <p>Refer Note 47 to the financial statements.</p>	<p>Our audit procedures include the following substantive procedures:</p> <ul style="list-style-type: none"> <li>• Obtained understanding of key uncertain tax positions; and</li> <li>• We along with our internal tax experts – <ul style="list-style-type: none"> <li>➤ Read and analysed select key correspondences, external legal opinions/consultations by management for key uncertain tax positions;</li> <li>➤ Discussed with appropriate senior management and evaluated management's underlying key assumptions in estimating the tax provisions; and</li> <li>➤ Assessed management's estimate of the possible outcome of the disputed cases.</li> </ul> </li> </ul>

### Other information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information

is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's responsibility for the standalone financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view

of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with relevant rules issued there under. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's responsibilities for the audit of the standalone financial statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for

one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because



the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, We give in the Annexure – A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and beliefs were necessary for the purposes of our audit;
  - b. In our opinion proper books of accounts as required by Law have been kept by the Company so far as it appears from our examinations of those books;
  - c. The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account;
  - d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with relevant rules issued there under;
  - e. On the basis of written representations received from the directors as on 31st March, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure – B.
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The company has disclosed the impact of pending litigations as at 31st March, 2019 on its financial position in its standalone financial statements as referred to in Note No. 47 [A to F] to the standalone financial statements.
    - ii. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2019.

For **PURNESH R. MEHTA & CO.**  
Chartered Accountants  
FRN: 142830W

**PURNESH MEHTA**

Place: Ahmedabad  
Date: 30/05/2019

Proprietor  
Membership No.: 032812

# Annexure - A to the Independent Auditors' Report

TO THE MEMBERS OF:

## **GANESH HOUSING CORPORATION LIMITED,**

Referred to in paragraph (1) under the heading of "Report on Other Legal and Regulatory requirements" of our Report of even date to the standalone financial statements of the company for the year ended 31st March, 2019:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The company is accounting various construction projects being built by it, as inventory. There is a continuous monitoring of the construction projects. Hence, the question of physical verification of the project does not arise. In case of Inventory of Raw materials, it has been physically verified during the year by the management. The inventory shown in the accounts is in the nature of various construction projects. Hence, normal inventory records associated with manufacturing companies are not being kept. However, the company is maintaining the necessary records to our satisfaction. No discrepancies were noticed on verification between the physical stocks and book records.
- (iii) The company has not granted any loan to any company, Limited Liability Partnership, Firm and other party covered in the Register maintained under section 189 of the Companies Act, 2013. However, by way of abundant caution we are giving opinion of business advances given by the company. The company has granted unsecured business advances to seven companies covered in the Register maintained under section 189 of the Companies Act, 2013.
- (a) The business advances granted to the companies listed in the Register maintained under Section 189 of the Companies Act, 2013 are not prima facie prejudicial to the interest of the company, even though they are interest free and unsecured, as the advances are given to a group companies.
- (b) The business advances granted to the companies listed in the Register maintained under Section 189 of the Companies Act, 2013 are Interest free & repayable on demand. Hence, the question of payment of interest and regular repayment of principal amount does not arise.
- (c) There is no overdue amount in respect of the business advances granted to the companies listed in the Register maintained under Section 189 of the Companies Act, 2013, as the business advances are repayable on demand.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 with respect to the loans, guaranties, securities and investments made.
- (v) The company has not accepted any public deposit within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Therefore, the provisions of clause 3(v) of the Order are not applicable to the Company.
- (vi) We have broadly reviewed the cost records maintained by the company pursuant to the rules made by the Central Government of India under sub-section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and based on our examination of the records of the company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other statutory dues with the appropriate authorities have been generally regularly deposited.

According to the information and explanations given to us no other undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2019 for a period of more than six months from the date of becoming payable.

- (b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax and Cess, which have not been deposited on account of any dispute other than the following:

Name of Statute	A.Y.	Demand Raised Amt. ₹	Demand Paid Amt. ₹	With whom dispute is pending
Income Tax	2010-2011	130334350/-	0	Pr.CIT-2, Ahmedabad
Income Tax	2011-2012	185054140/-	0	Pr.CIT-2, Ahmedabad
Income Tax	2015-2016	242969200/-	0	Pr.CIT-2, Ahmedabad

- (viii) In our opinion and according to the information and explanations given to us by the management and based on our examination of the records of the company, the outstanding repayment to a bank and financial institutions at the end of the financial year have been paid by the date of our audit report. The Company has not taken any loan from the government. The company has not issued any Debentures.
- (ix) According to the information and explanations given to us and based on our examination of the records of the company, the company has not raised moneys by way of initial public offer or further public offer including debt instruments. The company has utilized the monies raised by way of term Loans broadly for the purposes for which they were raised.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the company by its officers or employees has been noticed or reported during the year in course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, The Company has paid / provided for managerial remuneration in accordance with the requisite approval mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- (xiii) According to the information and explanations given to us during the year there were transactions with related parties. However, the value of transactions were such that they were not within the scope of section 188. [Refer clause 15 of Companies (Meeting of Board and its powers) Rules, 2014]. Hence, all transaction with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into any non-cash transactions with directors or persons connected with him. Hence the question of complying with provisions of section 192 of Companies Act, 2013 does not arise. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- (xvi) In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the Company.

For **PURNESH R. MEHTA & CO.**  
Chartered Accountants  
FRN: 142830W

**PURNESH MEHTA**

Place: Ahmedabad  
Date: 30/05/2019

Proprietor  
Membership No.: 032812

# Annexure - B to the Independent Auditors' Report

TO THE MEMBERS OF:

**GANESH HOUSING CORPORATION LIMITED,**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Ganesh Housing Corporation Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and

the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable

assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **PURNESH R. MEHTA & CO.**  
Chartered Accountants  
FRN: 142830W

Place: Ahmedabad  
Date: 30/05/2019

**PURNESH MEHTA**  
Proprietor  
Membership No.: 032812



# Balance Sheet

as at 31st March, 2019

[Amt. ₹]

Particulars	Note	As at the End of Current Reporting Period 31/03/2019	As at the End of Previous Reporting Period 31/03/2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property Plant and Equipment	1	2076113887	2082394417
Capital Work-In-Progress		983621	0
Other Intangible assets	2	253686	912657
Financial Assets			
Investments	3	2054347367	2029739659
Loans	4	15000000	30042325
Other financial Assets	5	207897122	206094506
Deferred tax assets (net)	6	2184322	5557329
		<b>4356780005</b>	4354740893
<b>Current assets</b>			
Inventories	7	66399471	61323823
Financial Assets			
Trade receivables	8	1244536340	1214034392
Cash and cash equivalents	9	34401102	66661776
Bank balances other than above	10	213901946	212971562
Loans	11	5776408251	6517785212
Other current assets	12	302367010	289733810
		<b>7638014120</b>	8362510575
<b>TOTAL ASSETS</b>		<b>11994794125</b>	12717251468
<b>Equity</b>			
Equity Share capital	13	492270900	492270900
Other Equity	14	7181126915	7178061822
		<b>7673397815</b>	7670332722
<b>Non-current liabilities</b>			
Financial Liabilities			
Borrowings	15	2535765624	2900053609
Other non-current liabilities	16	146553220	172025854
		<b>2682318844</b>	3072079463
<b>Current liabilities</b>			
Financial Liabilities			
Borrowings	17	262159888	622166168
Trade payables	18		
- Total outstanding dues of micro enterprises and small enterprises		0	0
- Total outstanding dues of creditors other than micro enterprises and small enterprises		177469328	210259357
Other current financial liabilities	19	1016442563	801588628
Other current liabilities	20	157305465	96935255
Current Tax Liabilities (Net)	21	25700222	243889875
		<b>1639077466</b>	1974839283
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>11994794125</b>	12717251468
<b>Significant Accounting Policies &amp; Notes Forming Part of Accounts</b>	1 to 47		

As per our Report of even date  
For **PURNESH R. MEHTA & CO.**  
Chartered Accountants  
FRN: 142830W

**Purnesh Mehta**  
Proprietor  
Membership No. 032812

Place: Ahmedabad  
Date: 30/05/2019

On behalf of the Board of Directors

**Dipakkumar G. Patel**  
Chairman & Whole-time Director  
[DIN: 00004766]

**Rajendra Shah**  
Chief Financial Officer

Place: Ahmedabad  
Date: 30/05/2019

**Shekhar G. Patel**  
Managing Director  
[DIN: 00005091]

**Priti Kapadia**  
Company Secretary

# Statement of Profit & Loss

for the year ended on 31st March, 2019

[Amt. ₹]

Particulars	Note	For the Current Reporting Period 2018-2019	For the Previous Reporting Period 2017-2018
<b>I INCOME:</b>			
Revenue from Operations	22	948336533	2083943030
Other Income	23	51997232	19133145
<b>TOTAL INCOME</b>		<b>1000333765</b>	2103076175
<b>II EXPENSES:</b>			
Cost of Material Consumed	24	17874139	195671857
Changes in Inventories	25	(5112210)	305716787
Employee Benefits Expense	26	151969581	153314541
Finance Cost	27	526684408	573760332
Other Expenses	28	101083717	178682738
Depreciation and Amortisation Expense		22611140	25503074
<b>TOTAL EXPENSES</b>		<b>815110775</b>	1432649329
<b>III Profit Before Tax</b>		<b>185222990</b>	670426846
<b>IV Less: Tax Expenses:</b>			
Current Tax		(70000000)	(295868495)
Deferred Tax		(3373007)	16108531
		<b>(73373007)</b>	(279759964)
<b>V Profit for the period</b>		<b>111849983</b>	390666882
<b>VI Other Comprehensive Income</b>		<b>0</b>	0
<b>Total of Other Comprehensive Income</b>		<b>0</b>	0
<b>VII Total Comprehensive Income for the period</b>		<b>111849983</b>	390666882
<b>VIII Earning Per share [In ₹]</b>	33		
(Face value of ₹ 10 per share)			
– Basic		2.27	7.95
– Diluted		2.27	7.95
<b>IX Significant Accounting Policies &amp; Notes Forming Part of Accounts</b>	1 to 47		

As per our Report of even date  
For **PURNESH R. MEHTA & CO.**  
Chartered Accountants  
FRN: 142830W

**Purnesh Mehta**  
Proprietor  
Membership No. 032812

Place: Ahmedabad  
Date: 30/05/2019

On behalf of the Board of Directors

**Dipakkumar G. Patel**  
Chairman & Whole-time Director  
[DIN: 00004766]

**Rajendra Shah**  
Chief Financial Officer

Place: Ahmedabad  
Date: 30/05/2019

**Shekhar G. Patel**  
Managing Director  
[DIN: 00005091]

**Priti Kapadia**  
Company Secretary

# Cash Flow Statement

for the year 2018-2019

[Amt. ₹]

Particulars	Note	2018-2019	2017-2018
<b>A Cash Flow From Operating Activities:</b>			
Profit Before Tax		185222990	670426846
Provision For Taxation		(70000000)	(295868495)
		(70000000)	(295868495)
Net Profit After Tax		115222990	374558351
Add/Less Adjustments For			
Depreciation		22611140	25503074
Interest Expenses		526684408	573760332
Employees Stock option scheme		(1962335)	(16443688)
Interest Income		(51997232)	(19128035)
		495335981	563691683
<b>Operating Profit Before Working Capital Changes</b>		<b>610558971</b>	938250034
Add/Less Adjustments For			
Inventories		(5075648)	309349288
Trade & Other Receivables		(30501948)	(618588364)
Other Current Assets		264583521	84925761
Trade Payables		(32790029)	17603078
Other Current Liabilities		31561858	(886630753)
		227777754	(1093340990)
Taxes Paid (Net)		(279019337)	(260829684)
Net Cash Generated From Operations		(51241583)	(1354170674)
<b>B Cash Flow From Investing Activities:</b>			
Purchase of Fixed Assets		(18914620)	(5462270)
Capital Work In Progress		(983621)	0
Sale of Fixed Assets		3242981	625197
Movement In Investments		(24607708)	25051000
Movement In Loans & Advances		756419286	(435708007)
Interest Received		51997232	19128035
Net Cash Used In Investing Activities		767153550	(396366045)

[Amt. ₹]

Particulars	Note	2018-2019	2017-2018
<b>C Cash Flow From Financing Activities:</b>			
Changes in Share Capital		0	2242710
Changes in Security Premium		0	39695967
Changes in Borrowings		(724294265)	1439523401
Finance Cost Paid		(526684408)	(573760332)
Dividend Paid (Including Dividend Distribution Tax)		(106822555)	(118315345)
Net Cash Used In Financing Activities		(1357801228)	789386401
<b>Net Increase In Cash and Cash Equivalents</b>		<b>(31330290)</b>	<b>(22900284)</b>
<b>Opening Balance of Cash and Cash Equivalents</b>		<b>279633338</b>	302533622
<b>Closing Balance of Cash and Cash Equivalents*</b>		<b>248303048</b>	279633338
<b>Components of Cash and Cash Equivalents</b>			
Cash on hand		1318222	1559584
Balances with Banks*		33082880	65102192
Other Balances other than above		213901946	212971562
<b>TOTAL</b>		<b>248303048</b>	279633338

\* Include towards Unclaimed Dividend of ₹ 4388946/- (Pre. Yr. ₹ 3448771/-)

#### Significant Accounting Policies

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**Note:** Effective April 1, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of the amendment did not have any material impact on the financial statements.

As per our Report of even date  
For **PURNESH R. MEHTA & CO.**  
Chartered Accountants  
FRN: 142830W

**Purnesh Mehta**  
Proprietor  
Membership No. 032812

Place: Ahmedabad  
Date: 30/05/2019

On behalf of the Board of Directors

**Dipakkumar G. Patel**  
Chairman & Whole-time Director  
[DIN: 00004766]

**Rajendra Shah**  
Chief Financial Officer

Place: Ahmedabad  
Date: 30/05/2019

**Shekhar G. Patel**  
Managing Director  
[DIN: 00005091]

**Priti Kapadia**  
Company Secretary

# Statement of Changes in Equity

for the year ended on 31/03/2019

[Amt. ₹]

**A. EQUITY SHARE CAPITAL**

Particulars	AS AT 31/03/2019	AS AT 31/03/2018
Balance at the beginning of the year	492270900	490028190
Changes in Equity Share capital During the year	0	2242710
Balance at the end of the reporting period	<b>492270900</b>	<b>492270900</b>

**B. OTHER EQUITY**

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus					Total
			Capital Reserve	Securities Premium Reserve	General Reserves	Retained Earnings/ profit & loss	Employee Stock Option Outstanding	
<b>Balance as at 01/04/2017</b>	0	0	0	2289761114	587585910	3986704959	18406023	6882458006
Total Comprehensive Income for the year	0	0	0	0	0	390666882	0	390666882
Dividends	0	0	0	0	0	(98303138)	0	(98303138)
Tax on Dividends	0	0	0	0	0	(20012207)	0	(20012207)
Employee Stock Options (Net)	0	0	0	0	0	0	(16443688)	(16443688)
Transfer to Share Capital on Issue of Bonus Shares	0	0	0	0	0	0	0	0
Transfer from Debenture Redemption Reserve to General Reserve	0	0	0	0	0	0	0	0
Addition during the year	0	0	0	39695967	0	0	0	39695967
<b>Balance as at 01/04/2018</b>	0	0	0	2329457081	587585910	4259056496	1962335	7178061822
<b>Total Comprehensive Income for the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>111849983</b>	<b>0</b>	<b>111849983</b>
Dividends	0	0	0	0	0	(88608762)	0	(88608762)
Tax on Dividends	0	0	0	0	0	(18213793)	0	(18213793)
Employee Stock Options (Net)	0	0	0	0	0	0	(1962335)	(1962335)
Transfer from Debenture Redemption Reserve to General Reserve	0	0	0	0	0	0	0	0
Addition during the year	0	0	0	0	0	0	0	0
<b>Balance as at 31/03/2019</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2329457081</b>	<b>587585910</b>	<b>4264083924</b>	<b>0</b>	<b>7181126915</b>



# Notes Forming Part of Accounts as at 31/03/2019

[Amt. ₹]

**NOTE - 1 PROPERTY, PLANT & EQUIPMENT**

Description of Assets	Gross Block			Depreciation			Net Block	
	As at 01-04-2018	Addition During Year	Deductions During Year	As at 31-03-2019	As at 01-04-2018	Depreciation/ Amortisation During the Year	As at 31-03-2019	As at 31-03-2018
<b>Tangible Assets:</b>								
Land	1927532433	0	0	1927532433	0	0	1927532433	1927532433
Office Premises	132329043	3181594	0	135510637	22350156	6182214	106978267	109978887
Plant & Machinery	2620939	0	0	2620939	1229407	251651	1139881	1391532
Furniture & Fixtures	28642588	21183	0	28663771	14699889	3767222	10196660	13942699
Vehicles	56796261	14813440	3798749	67810952	35164164	8642679	24559877	21632097
Office Equipments	20013098	448164	0	20461262	12975090	2625666	4860506	7038008
Computer	2964095	436238	0	3400333	2085334	468736	846263	878761
<b>TOTAL</b>	<b>2170898457</b>	<b>18900619</b>	<b>3798749</b>	<b>2186000327</b>	<b>88504040</b>	<b>21938168</b>	<b>2076113887</b>	<b>2082394417</b>
<b>Previous Year</b>	<b>2166701328</b>	<b>5412329</b>	<b>1215200</b>	<b>2170898457</b>	<b>64315304</b>	<b>24778739</b>	<b>2082394417</b>	

[Amt. ₹]

**NOTE - 2 OTHER INTANGIBLE ASSETS**

Description of Assets	Gross Block			Depreciation			Net Block	
	As at 01-04-2018	Addition During Year	Deductions During Year	As at 31-03-2019	As at 01-04-2018	Depreciation/ Amortisation During the Year	As at 31-03-2019	As at 31-03-2018
<b>Intangible Assets:</b>								
Software	3790295	14001	1778821	2025475	2877638	672972	253686	912657
<b>TOTAL</b>	<b>3790295</b>	<b>14001</b>	<b>1778821</b>	<b>2025475</b>	<b>2877638</b>	<b>672972</b>	<b>253686</b>	<b>912657</b>
<b>Previous Year</b>	<b>3932477</b>	<b>49941</b>	<b>192123</b>	<b>3790295</b>	<b>2345426</b>	<b>724335</b>	<b>912657</b>	

# Notes Forming Part of Accounts as at 31/03/2019

[Amt. ₹]

Particulars	As At 31/03/2019	As At 31/03/2018
<b>NOTE - 3 INVESTMENTS</b>		
<b>A. Investments in Equity Instruments:-</b>		
<b>Unquoted &amp; Fully paid up:-</b>		
Non Current Investments in Equity Shares of Subsidiary Companies:		
89,54,726 (Previous year 89,54,726) Equity Shares of ₹ 10/- each in Gatil Properties Pvt. Ltd.	1906957410	1906957410
NIL (Previous year 10,000) Equity Shares of ₹ 10/- each in Maheshwari (Thaltej) Complex Pvt. Ltd.	0	100000
15,000 (Previous year 15,000) Equity Shares of ₹ 10/- each in Essem Infra Pvt. Ltd.	147389957	122582149
	<b>2054347367</b>	2029639559
<b>Investment in other Companies:-</b>		
NIL (Previous year 10) Equity Shares of ₹ 10/- each in Starnet Software (India) Ltd.	0	100
NIL (Previous year 10,000) Equity Shares of ₹ 10/- each in Ganesh Infrastructure (India) Pvt. Ltd.	0	100000
	<b>0</b>	100100
<b>TOTAL</b>	<b>2054347367</b>	2029739659

**NOTE - 4 LOANS [NON CURRENT]****[UNSECURED, CONSIDERED DOUBTFUL]**

Non Current Loans & Advances:-		
Business Advances to Others	<b>15000000</b>	30042325
[Refer Note No. 45(A) for details]		
<b>TOTAL</b>	<b>15000000</b>	30042325

**NOTE - 5 OTHER FINANCIAL ASSETS**

Advance paid for purchase of Investments	<b>199930737</b>	199930737
Service Tax recoverable from members	<b>935118</b>	1052332
Electricity, AUDA, Legal charges receivable for projects	<b>7031267</b>	5111437
<b>TOTAL</b>	<b>207897122</b>	206094506

[Amt. ₹]

Particulars	As At 31/03/2019	As At 31/03/2018
<b>NOTE - 6 DEFERRED TAX ASSETS (NET)</b>		
<b>Deferred Tax Assets:-</b>		
Timing Difference:-		
Related to Fixed Assets	849752	281232
Related to Income Tax Act, 1961	8420794	14638155
<b>TOTAL A</b>	<b>9270546</b>	14919387
<b>Deferred Tax Liabilities:-</b>		
Timing Difference:-		
Related to Income Tax Act, 1961	7086224	9362058
<b>TOTAL B</b>	<b>7086224</b>	9362058
<b>Net Deferred Tax Assets = TOTAL A - B</b>	<b>2184322</b>	5557329

**NOTE - 7 INVENTORIES**

<b>INVENTORIES (As taken, valued &amp; certified by Management)</b>		
Raw-materials	96208	132770
Work-In-Process & Finished Goods (Construction Projects)	66303263	61191053
<b>TOTAL</b>	<b>66399471</b>	61323823

**NOTE - 8 TRADE RECEIVABLES**

<b>[UNSECURED, CONSIDERED GOOD]</b>		
– Considered Good - Secured	0	0
– Considered Good - Unsecured	1244536340	1214034392
<b>TOTAL</b>	<b>1244536340</b>	1214034392

**NOTE - 9 CASH & CASH EQUIVALENTS**

Cash on hand	1318222	1559584
Balances with Banks:		
In other accounts	33082880	65102192
<b>TOTAL</b>	<b>34401102</b>	66661776

**NOTE - 10 OTHER BANK BALANCES**

Balances with Banks & NBFCs':		
– In FD Accounts < 12 months	209513000	209522791
– In unpaid dividend account	4388946	3448771
<b>TOTAL</b>	<b>213901946</b>	212971562

# Notes Forming Part of Accounts as at 31/03/2019

[Amt. ₹]

Particulars	As At 31/03/2019	As At 31/03/2018
<b>NOTE - 11 LOANS [CURRENT]</b>		
<b>[UNSECURED, CONSIDERED GOOD]</b>		
Short Term Loans & Advances:-		
Business Advances to related parties:-		
– Subsidiary Companies	2873367160	3456135296
– Other Related Parties	125001415	222536059
[Refer Note No. 45(B) for details]	<b>2998368575</b>	3678671355
Business Advances to Others [Refer Note No. 45(B) for details]	<b>733019890</b>	791679434
Advances for Purchase of land to:		
– Related Party	1949607667	1937667667
– Others	5106000	5136000
	<b>1954713667</b>	1942803667
Advances to Others #	<b>90306119</b>	104630756
<b>TOTAL</b>	<b>5776408251</b>	6517785212

# Includes staff loan, prepaid expenses &amp; reimbursement.

<b>NOTE - 12 OTHER CURRENT ASSETS</b>		
Advance to Suppliers	<b>8148</b>	4648
Registration deposit	<b>1139283</b>	1119354
GST & Service Tax (Input)	<b>32403092</b>	40036970
Advance payment of Income Tax & TDS	965130280	676672838
Less:		
Provision for Income Tax	696313793	428100000
	<b>268816487</b>	248572838
<b>TOTAL</b>	<b>302367010</b>	289733810

<b>NOTE - 13 EQUITY SHARE CAPITAL:</b>		
Authorised:-		
5,00,00,000 (Previous year 5,00,00,000) Equity Shares of ₹ 10/- each	<b>500000000</b>	500000000
	<b>500000000</b>	500000000
Issued, Subscribed and Paid up Capital:-		
4,92,27,090 (Previous year 4,92,27,090) Equity shares of ₹ 10/- each fully paid up	<b>492270900</b>	492270900
<b>TOTAL</b>	<b>492270900</b>	492270900

**NOTE :**

13.1. The reconciliation of number of shares at the beginning of the year and at the close of the year is set out below:

Particulars	As At 31/03/2019	As At 31/03/2018
Equity shares at the beginning of the year	<b>49227090</b>	49002819
Add: Shares issued during the year	<b>0</b>	224271
Equity shares at the end of the year	<b>49227090</b>	49227090

## 13.2. The Statement of Shareholders Holding More Than 5% Equity Shares of The Company:-

Particulars	As At 31/03/2019		As At 31/03/2018	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Dipakkumar G. Patel	<b>11758752</b>	<b>23.89</b>	12158752	24.70
Shekhar G. Patel	<b>13306662</b>	<b>27.03</b>	14106662	28.66

## 13.3. Right, Preferences and Restrictions attached to shares:

The company has one class of equity shares having a par value of ₹ 10/- each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

13.4. 16334273 Equity shares of ₹ 10/- each are allotted, in the ratio of 1 equity share to the holder of 2 equity shares, as fully paid up Bonus Shares by capitalisation of profits in F.Y. 2016-17.

13.5. 224271 Equity shares of ₹ 10/- each fully paid up are allotted during F.Y. 2017-18 on conversion of options under ESOP 2010 Scheme.

**NOTE - 14 OTHER EQUITY**

[Amt. ₹]

Particulars	As At 31/03/2019	As At 31/03/2018
(a) SECURITY PREMIUM		
Balance As Per Last Balance Sheet	<b>2329457081</b>	2289761114
Add: Addition during the year - Issue of ESOP Shares	<b>0</b>	39695967
	<b>2329457081</b>	2329457081
(b) GENERAL RESERVE		
Balance As Per Last Balance Sheet	<b>587585910</b>	587585910
	<b>587585910</b>	587585910
(c) EMPLOYEES' STOCK OPTION OUTSTANDING	<b>1962335</b>	18406023
Less: Deferred Employees' Compensation	<b>(1962335)</b>	(16443688)
	<b>0</b>	1962335
(d) PROFIT & LOSS		
Balance As Per Last Balance Sheet	<b>4259056496</b>	3986704959
Add: Transfer from Profit & Loss Statement	<b>111849983</b>	390666882
	<b>4370906479</b>	4377371841
Less: Appropriation:-		
Dividend on Equity Shares	88608762	98303138
[Dividend per Share ₹ 1.80 on (Pre. Yr. ₹ 2.00)] Tax on dividend	18213793	20012207
	<b>106822555</b>	118315345
	<b>4264083924</b>	4259056496
<b>TOTAL</b>	<b>7181126915</b>	7178061822



# Notes Forming Part of Accounts as at 31/03/2019

[Amt. ₹]

Particulars	As At 31/03/2019	As At 31/03/2018
<b>NOTE - 15 NON CURRENT BORROWINGS</b>		
<b>SECURED:-</b>		
<b>A) Term Loans:</b>		
(I) From Banks	410366479	704458316
(II) From Others - [NBFC]	2120123337	2195595293
	<b>2530489816</b>	2900053609
<b>B) Vehicle Loans:</b>		
(I) From Banks	<b>5275808</b>	0
<b>TOTAL</b>	<b>2535765624</b>	2900053609

[Refer Note No. 38 for security details]

Maturity Profile of Secured Term Loans issue are as set out below:

Particulars	Current	Non Current		
	2019-20	2020-21	2021-22	2022-23 & Beyond
Term Loans from Banks	<b>303768923</b>	194464586	162325349	58852352
Term Loans from Others	<b>680251058</b>	1040847702	781885081	297390554

Particulars	As At 31/03/2019	As At 31/03/2018
<b>NOTE - 16 OTHER NON CURRENT LIABILITIES</b>		
<b>Other Long Term Liabilities:-</b>		
Statutory liabilities	<b>146553220</b>	172025854
<b>TOTAL</b>	<b>146553220</b>	172025854

<b>NOTE - 17 CURRENT BORROWINGS</b>		
<b>Secured:-</b>		
- From Bank : Cash Credit Facility From Banks	159657041	184484059
- From others	0	336816164
[Refer Note No. 38 for security details]	<b>159657041</b>	521300223
<b>Unsecured &amp; Repayable on Demand:-</b>		
- Intercompany loan from others	102502847	100115945
- From others	0	750000
	<b>102502847</b>	100865945
<b>TOTAL</b>	<b>262159888</b>	622166168

Note:- All unsecured loans are repayable on demand. As they are repayable on demand, they are shown as current borrowing.

[Amt. ₹]

Particulars	As At 31/03/2019	As At 31/03/2018
<b>NOTE - 18 TRADE PAYABLES</b>		
Micro, Small & Medium Enterprise	0	0
Others	177469328	210259357
<b>TOTAL</b>	<b>177469328</b>	210259357

[Refer Note No. 32 for details]

**NOTE - 19 OTHER CURRENT FINANCIAL LIABILITIES**

Current maturities of Secured long term debts	984019981	768988848
Unpaid/Unclaimed Dividends	4395625	3448860
Customer Booking Refundable	28026957	29150920
<b>TOTAL</b>	<b>1016442563</b>	801588628

**NOTE - 20 OTHER CURRENT LIABILITIES**

Other Payables *	101229324	79265360
Statutory Liabilities	50553468	10480020
Booking advance received from customers	5522673	7189875
<b>TOTAL</b>	<b>157305465</b>	96935255

\* Includes Retention money of Suppliers, Unpaid Expenses &amp; credit balance of bank due to reconciliation.

**NOTE - 21 CURRENT TAX LIABILITIES [NET]**

Provision for Income Tax	50000000	250000000
Less:		
Advance payment of Income Tax, TDS & WT	24299778	6110125
	<b>25700222</b>	243889875
<b>TOTAL</b>	<b>25700222</b>	243889875

# Notes Forming Part of Accounts as at 31/03/2019

[Amt. ₹]

Particulars	Year Ended 31/03/2019	Year Ended 31/03/2018
<b>NOTE - 22 REVENUE FROM OPERATIONS</b>		
Sales from construction related activities	<b>73765243</b>	1978409800
Other Operating Income:-		
Marketing Management Fees	<b>180000000</b>	0
Project Management Services	<b>132558720</b>	0
Stock Transfer to Fixed Assets	<b>3181594</b>	0
Profit on Sale of Investment	<b>511934200</b>	0
Miscellaneous Income	<b>22164550</b>	39997747
Notional Corporate Guarantee Fees Income	<b>9557215</b>	6035507
Sundry Balances written off	<b>15175011</b>	59499976
<b>TOTAL</b>	<b>948336533</b>	2083943030

[Refer Note No. 41 for details]

<b>NOTE - 23 OTHER INCOME</b>		
Interest income:-		
– from Banks	1545132	3221310
– from Others	50452100	15906725
	<b>51997232</b>	19128035
Profit on sale of Fixed Assets	<b>0</b>	5110
<b>TOTAL</b>	<b>51997232</b>	19133145

<b>NOTE - 24 PROJECT EXPENSES</b>		
Architect Fee	<b>360000</b>	4237288
Carting Exp.	<b>77380</b>	296216
Electric Exp.	<b>1060519</b>	1578383
Labour Exp.	<b>409104</b>	12067052
Land Exp.	<b>268390</b>	129976
Land Purchase	<b>0</b>	85784800
Machinery Rent	<b>149190</b>	419450
Professional Charges	<b>46440</b>	1885168
Raw Material Consumptions	<b>539266</b>	24536792
Repairs & Maintenance Exp.	<b>410742</b>	106783
Site Exp.	<b>89053</b>	788042
Site Office Exp.	<b>108082</b>	155527
Site Security Exp.	<b>689249</b>	753099
Works Contract Expenses	<b>13666724</b>	62933281
<b>TOTAL</b>	<b>17874139</b>	195671857

[Amt. ₹]

Particulars	Year Ended 31/03/2019	Year Ended 31/03/2018
<b>NOTE - 25 CHANGES IN INVENTORIES</b>		
CLOSING STOCK:-		
Stock of WIP & Finished Goods	<b>66303263</b>	61191053
	<b>66303263</b>	61191053
Less: OPENING STOCK:-		
Stock of WIP & Finished Goods	<b>61191053</b>	366907840
	<b>61191053</b>	366907840
(Increase)/Decrease in stock	<b>(5112210)</b>	305716787
<b>TOTAL</b>	<b>(5112210)</b>	305716787
<b>NOTE - 26 EMPLOYEE BENEFIT EXPENSES</b>		
Salary, Allowances & Bonus Expenses	<b>117531396</b>	109589403
Directors' Remuneration	<b>24000000</b>	24000000
Contribution to Provident Fund & ESIC	<b>1649829</b>	1830184
Contribution to Gratuity Fund	<b>4002885</b>	12657889
Staff Welfare Expenses	<b>4785471</b>	4713761
Director's Medical Exp.	<b>0</b>	523304
<b>TOTAL</b>	<b>151969581</b>	153314541
<b>NOTE - 27 FINANCE COST</b>		
Bank Charges	41166	195298
Loan Processing Charges	0	4055680
Amortisation of finance cost as per EIR method	15642702	19425035
	<b>15683868</b>	23676013
Interest to:-		
– Banks	137542736	87972693
– Others	368891448	453281835
– Late payment of taxes	3892664	8283063
Finance Charges	673692	546728
	<b>511000540</b>	550084319
<b>TOTAL</b>	<b>526684408</b>	573760332
<b>NOTE - 28 OTHER EXPENSES</b>		
<b>ADMINISTRATIVE &amp; OTHER EXPENSES:-</b>		
Appeal Fees	500	7500
Advertisement Exp.	1566442	3053211
Audit Fees	100000	100000
Miscellaneous Exp.	37815	53550
Computer Consumable	612216	728456
Conveyance Expenses	300317	251170
C.S.R. Expenses	12074195	10363256

# Notes Forming Part of Accounts as at 31/03/2019

[Amt. ₹]

Particulars	Year Ended 31/03/2019	Year Ended 31/03/2018
<b>NOTE - 28 OTHER EXPENSES (Contd.)</b>		
Postage & Courier Charges	250609	322157
Depository & Share Transfer Agent Exp.	702320	586396
Donation	301000	291250
Electric Expenses	4821204	4615826
Filing Fees	24600	50465
GST Expenses	6486716	7748438
Insurance Expenses	304788	444460
Internet & Website Expenses	512711	851480
Legal Expenses	2138479	10907964
Loss on sale of Fixed assets	11981	5307
Loss on sale of Investments	0	25035900
Mobile Phone Exp.	741713	741483
Motor-Car Exp.	4855241	4252977
Municipal Tax	3007882	2614715
Office & Office Maintenance Expenses	3863796	4830711
Penalty	406560	55900
Professional Fees	23517050	23973799
Professional Tax	2400	2400
Rent & Maintenance Exp.	1133283	690508
Repair & Maintenance Expenses	4898092	4207037
Security Service Charges	3691002	3363949
Service Tax, SBC & KKC Exp.	1532637	10301737
Site Maintenance Expenses	8191002	34073697
Sitting Fees - Directors	159000	165683
Stationery, Printing, Typing & Xerox Expenses	1150169	1205315
Sundry balances written off	190845	927052
Telephone Exp.	371999	356683
Travelling Exp.	4260362	6748064
VAT Expenses	0	1452694
	<b>92218926</b>	165381190
<b>MARKETING EXPENSES:-</b>		
Advertisement Expenses	1138365	3349933
Brochure Exp.	436600	685910
Brokerage Exp.	1352390	803159
Sales Promotion Exp	3124936	8285546
Sponsorship Charges	2812500	150000
Trademark Registration Expenses	0	27000
	<b>8864791</b>	13301548
<b>TOTAL</b>	<b>101083717</b>	178682738

**29. SIGNIFICANT ACCOUNTING POLICIES:****1.1 NATURE OF OPERATIONS:**

The Company was incorporated in 1991. The company is a public limited company incorporated and domiciled in India has its registered office at Ahmedabad, Gujarat, India. The company has its primary listings on the BSE Limited and National Stock Exchange of India Limited in India. The company's main business is real estate promotion and development in residential and commercial segment and infrastructure projects.

**1.2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS:**

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as specified under section 133 of the Companies Act 2013 read together with the Rules notified there under to the extent applicable and the other relevant provisions of the Act, pronouncements of the regulatory bodies applicable to the company.

The financial statements have been prepared on going concern and accrual basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

The financial statements of the Company for the year ended March 31, 2019 were approved by the Board of Directors on 30/05/2019.

**1.3 BASIS OF MEASUREMENT:**

The Ind AS Financial Statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities as specified and defined benefit plans which have been measured at actuarial valuation as required by relevant Ind AS.

**1.4 BASIS FOR CLASSIFICATION OF ASSETS & LIABILITIES:**

All the assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets or processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle to be 12 months for the purpose of current – non current classification of assets and liabilities.

**1.5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS:**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Revisions to accounting estimates are recognised prospectively.

The areas involving critical estimates or judgments are:

- Estimation of defined benefit obligation (Note 1.13)
- Estimation of Useful life of Property, plant and equipment and intangibles (Note 1.7/1.8)
- Estimation of taxes (Note 1.11)
- Estimation of cost of project for revenue recognition (Note 1.12)
- Estimation of impairment (Note 1.10, 1.14)
- Estimation of provision and contingent liabilities (Note 1.17)
- Estimation of Share based payments to employees (Note 1.18)

**1.6 RECENT ACCOUNTING DEVELOPMENTS:**

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

**I) Ind AS 116 Leases**

Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance



# Notes Forming Part of Accounts as at 31/03/2019

sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company intends to adopt these standards from 1 April 2019. Ind AS 116 also requires lessees and lessors to make more extensive disclosures than under Ind AS 17.

## 1.7 PROPERTY, PLANT & EQUIPMENT:

- A. Property, Plant & Equipment are stated at cost of acquisition or construction net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and other directly attributable costs. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

## B. Depreciation on fixed assets:

Depreciation is provided based on a pro-rata basis on the useful life of the assets as prescribed in Schedule II of the Companies Act, 2013 on the "Written down value" method in respect of all assets.

- C. The company had elected to consider the carrying value of all its property, plant and equipment appearing in the financial statements prepared in accordance with Accounting Standards notified under section 133 of the Companies Act 2013 read together with the Rules notified there under and used the same as deemed cost in the opening Ind AS Balance Sheet prepared on 1st April, 2015.

## 1.8 INTANGIBLE ASSET:

Intangible Assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the company and the cost of asset can be measured reliably.

Intangible Assets are stated at cost, net of accumulated amortization and accumulated impairment loss, if any. Cost includes any expenditure directly attributable on making the asset ready for its intended use.

Intangible assets with finite lives are amortized over their useful economic life. The amortisation period and the amortisation method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate.

## 1.9 BORROWING COST:

Borrowing costs attributable to the acquisition, construction or production of qualifying assets (i.e. assets that necessarily take substantial period of time to get ready for their intended use or sale) are capitalised as part of the cost of such asset up to the date when such asset is ready for its intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred. Further, interest earned out of borrowed funds from temporary investments is reduced from the borrowing cost.

## 1.10 FINANCIAL INSTRUMENT:

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

**I) Financial Asset:**

Initial recognition and measurement:

All financial instruments are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through P&L, transaction costs that are attributable to the acquisition of the financial asset, purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognized on the trade date i.e. the date that the company commits to purchase or sell the asset.

**Subsequent Measurement:**

For the purpose of subsequent measurement financial assets are classified as measured at:

- Amortised cost
- Fair value through profit and loss (FVTPL)
- Fair value through other comprehensive income (FVOCI)

**(a) Financial Asset measured at amortized cost:**

Financial Assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost using effective interest rate (EIR) method. The EIR amortization is recognized as finance income in the statement of Profit & Loss. The company while applying above criteria has classified the following at amortized cost:

- (a) Trade receivables
- (b) Investment in Subsidiaries
- (c) Loans
- (d) Other financial assets

**(b) Financial Assets Measured at fair value through other comprehensive income:**

Financial assets that are held within a business model whose objective

is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognized in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

**(c) Financial Assets at fair value through profit & loss (FVTPL):**

Financial Asset are measured at Fair value through Profit & Loss if it does not meet the criteria for classification as measured at amortized cost or at FVOCI. All fair value changes are recognized in the statement of Profit & Loss.

**Equity Instruments:**

All investments in equity instruments classified under financial assets are initially measured at fair value, the group may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

**De-recognition of Financial Assets:**

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred and the transfer qualifies for Derecognition. On Derecognition of a financial asset in its entirety, the difference between the carrying amount (measured on the date of recognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognized in the statement of Profit & Loss.

**Impairment of Financial Assets:**

In accordance with Ind AS 109, the company applies expected credit

# Notes Forming Part of Accounts as at 31/03/2019

loss (ECL) model by adopting the simplified approach using a provision matrix reflecting current condition and forecasts of future economic conditions for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- (a) Financial Assets that are debt instruments, and are measured at amortized cost e.g. loans, debt securities, deposits, trade receivables and bank balance
- (b) Financial Assets that are debt instruments and are measured at FVTOCI.
- (c) Lease receivables under Ind AS 17.
- (d) Trade receivables or any contractual right to receive cash or another financial asset
- (e) Loan commitments which are not measured at FVTPL
- (f) Financial guarantee contracts which are not measured at FVTPL

## II) Financial Liability:

Initial recognition and measurement:

Financial liabilities are recognized initially at fair value plus any transaction cost that are attributable to the acquisition of the financial liability except financial liabilities at FVTPL that are measured at fair value.

Subsequent measurement:

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Financial Liabilities at amortized cost:

Amortized cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount.

The company is classifying the following under amortized cost

- Borrowings from banks
- Borrowings from others
- Trade payables
- Other Financial Liabilities

### Derecognition:

A financial liability shall be derecognized when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

## 1.11 INCOME TAXES:

Income tax expense for the year comprises of current tax and deferred tax. Provision for Current Tax is computed as per Total Income Returnable under the Income Tax Act, 1961 taking into account available deductions and exemptions.

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

## 1.12 REVENUE RECOGNITION:

A. On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 - Revenue from Contract with Customers and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from April 01, 2018.

Issue of Ind AS 115 - Revenue from Contracts with Customers:

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and the related interpretations. Ind AS 115 provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligations.

Ind AS 115 "Revenue from Contracts with Customers" provides a control-based revenue recognition model and provides a five step application approach to be followed for revenue recognition.

- Identify the contract(s) with a customer;

- Identify the performance obligations;
  - Determine the transaction price;
  - Allocate the transaction price to the performance obligations;
  - Recognise revenue when or as an entity satisfies performance obligation.
- B.** The full revenue is recognized on sale of property when the firm has transferred to the buyer all significant risks & rewards of ownership and when the seller has not to perform any substantial acts to complete the contract.
- The Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue Recognition and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the modified retrospective method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11.
- C.** Lease of land of SEZ project: Land given on perpetual lease is treated as actual sale of land.
- D.** Interest income is recognized using the effective interest rate (EIR) method.

### 1.13 RETIREMENT & OTHER EMPLOYEE BENEFITS:

#### A. Defined Contribution Plans:

The company's contribution paid / payable for the year to Provident Fund are recognized in the Profit & Loss Statement. The company has no obligation other than the contribution payable to the Government.

The company funds a post-employment benefit obligation by contributing to an insurance policy under which the entity is not obliged to pay any future liability arising, which is directly paid by insurance company and hence treats the same as defined contribution plan as per para 46 of Ind AS 19.

#### B. Defined Benefit Plans:

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

- C.** The company has a system of providing accumulating compensating absences non-vesting and hence no provision is made in the books of accounts for the leaves.
- D.** In respect of employees' stock options, the excess of fair price on the date of grant over the exercise price is recognized as deferred compensation cost amortised over the vesting period.

### 1.14 IMPAIRMENT OF ASSETS:

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. Recoverable value is being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful life of the assets. An impairment loss is recognized in the year in which an asset is identified as impaired as an expense in the Profit and Loss Account.

# Notes Forming Part of Accounts as at 31/03/2019

## 1.15 INVENTORY:

Inventories are valued at the lower of cost and net realisable value.

- A. In case of the inventory of Raw-materials, they are valued at cost using FIFO method.
- B. The Closing stock of WIP has been valued at cost.

## 1.16 TRANSACTIONS IN FOREIGN CURRENCY:

- A. Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction.
- B. Monetary items denominated in foreign currencies at the period end are restated at year end rates.
- C. Non monetary foreign currency items are carried at cost.
- D. Any income or expense on account of exchange difference either on settlement or on transaction is recognised in the statement of profit and loss.

## 1.17 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events, it is probable that there will be an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation.

Contingent liabilities are disclosed when there is a possible obligation arising from past event, the existence of which will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arise from past event where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount can not be made.

## 1.18 SHARE BASED PAYMENT:

Under the equity settled share based payment, the fair value on the grant date of the awards given to employees is recognised as 'employee benefit expenses' with a corresponding increase in equity over the vesting period. The fair value of the options at the grant date is calculated by an independent valuer basis Black Scholes model. When the options are exercised, the Company issues fresh equity shares.

For cash-settled share based payments, the fair value of the amount payable to employees is recognised as 'employee benefit expenses' with a corresponding increase in liabilities, over the period of non market vesting conditions getting fulfilled. The liability is remeasured at each reporting period up to, and including the settlement date, with changes in fair value recognised in employee benefits expenses.

## 1.19 EARNINGS PER SHARE:

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all potential dilutive equity shares.

## 1.20 CASH FLOW STATEMENT:

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payment and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

- 30. Corresponding figures of the previous year have been regrouped to confirm with this year's classification wherever necessary.

**31. PAYMENT TO AUDITORS:**

[Amt. ₹]

Sr. No.	Particulars	2018-2019	2017-2018
1	As Auditors	100000	100000
	<b>TOTAL</b>	<b>100000</b>	<b>100000</b>

**32. Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006\*.**

Sr. No.	Particulars	2018-2019	2017-2018
A	The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:		
	Principal amount due to micro and small enterprises (Not overdue)	NIL	NIL
	Interest due on above	NIL	NIL
B	The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	NIL	NIL
C	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	NIL	NIL
D	The amount of interest accrued and remaining unpaid at the end of each accounting year.	NIL	NIL
E	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of Micro, Small and Medium Enterprises Development Act, 2006.	NIL	NIL

\* This information has been determined to the extent such parties have been identified on the basis intimation received from the "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development by the management.

**33. EARNINGS PER SHARE:**

Sr. No.	Particulars	2018-2019	2017-2018
A	<b>Basic &amp; Diluted EPS (IN ₹) From Continuing Operations attributable to equity share holders</b>		
	– Basic	2.27	7.95
	– Diluted	2.27	7.95
B	<b>Reconciliation of earnings used in calculation of Basic &amp; Diluted EPS</b>		
	Profit attributable to equity shareholders used in calculation of Basic EPS from continuing operations	111849983	390666882
C	<b>Weighted Average number of shares as denominator</b>		
	Weighted average number of shares used in calculation of Basic EPS	49227090	49121038
	Weighted average number of equity shares and potential equity shares used as denominator in calculation of Diluted EPS	49227090	49121038



# Notes Forming Part of Accounts as at 31/03/2019

## 34. FINANCIAL INSTRUMENT BY CATEGORY:

[Amt. ₹]

Particulars	2018-2019			2017-2018		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial Assets</b>						
– Investment	0	0	2054347367	0	0	2029639559
– Loans	0	0	5791408251	0	0	6547827537
– Trade Receivable	0	0	1244536340	0	0	1214034392
– Cash & cash equivalents	0	0	34401102	0	0	66661776
– Other bank balances	0	0	213901946	0	0	212971562
– Other financial Assets	0	0	207897122	0	0	206094506
<b>Financial Liabilities</b>						
– Borrowings	0	0	2797925512	0	0	3522219777
– Trade Payables	0	0	177469328	0	0	210259357
– Other financial liabilities	0	0	1016442563	0	0	801588628

\* Since all the Financial Assets and Financial Liabilities are measured at amortised cost, disclosure of fair value hierarchy is not being made.

## 35. FAIR VALUE OF FINANCIAL ASSETS & LIABILITIES MEASURED AT AMORTIZED COST:

[Amt. ₹]

Particulars	2018-2019		2017-2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets:</b>				
Investment in Subsidiary	2054347367	2054347367	2029639559	2029639559
Loans	5791408251	5791408251	6547827537	6547827537
Trade Receivable	1244536340	1244536340	1214034392	1214034392
Cash & cash equivalents	34401102	34401102	66661776	66661776
Other bank balances	213901946	213901946	212971562	212971562
Other financial assets	207897122	207897122	206094506	206094506
<b>Financial Liabilities:</b>				
Borrowings	2797925512	2797925512	3522219777	3522219777
Trade Payables	177469328	177469328	210259357	210259357
Other financial liabilities	1016442563	1016442563	801588628	801588628

- A. The carrying amounts of trade receivables, trade payables, current loans, capital creditors and cash and cash equivalents, other financial assets, other financial liabilities are considered to be the same as their fair values, due to their short-term nature.
- B. The fair values of non-current borrowings and non current Loans are same as their amortised cost since the borrowings are interest bearing at the prevalent market rate.

### 36. FINANCIAL RISK MANAGEMENT:

The Company's activities expose it to market risk, liquidity risk and credit risk. In order to minimize any adverse effects on the financial performance of the company, derivative financial instruments, such as foreign exchange forward contracts, foreign currency option contracts are entered to hedge certain foreign currency risk exposures and interest rate swaps to hedge variable interest rate exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements

Risk	Exposure	Measurement	Management
Credit Risk	Financial Assets measured at amortised cost	– Ageing Analysis – Credit Ratings	Diversification, Credit Limits
Liquidity Risk	Borrowing and other liabilities	Rolling Cash flow forecasts	Availability of committed borrowing facilities
Market Risk – Interest Rates	Variable Rate Borrowings	Sensitivity Analysis	Conversion of loan from higher interest rate to lower interest rate

#### Credit Risk Management

Credit risk is managed on a company basis. For banks and financial institutions, only high rated banks/institutions are accepted.

For other financial assets, the company assesses and manages credit risk based on internal credit rating system. The finance function consists of a separate team who assess and maintain an internal credit rating system. Internal credit rating is performed on a company basis for each class of financial instruments with different characteristics.

#### Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the company in accordance with practice and limits set by the company. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

#### Financing Arrangements:

[Amt. ₹]

Particulars	2018-2019	2017-2018
Floating Rate:		
Expiring within 1 year	1143677022	953472907
Expiring beyond 1 year	2525819632	2562872975

# Notes Forming Part of Accounts as at 31/03/2019

## Maturities of financial liabilities (except current maturity of long term debts) as on 31.03.2019

[Amt. ₹]

Financial Liabilities	2018-2019			2017-2018		
	< 3 month	3 to 12 month	Total	< 3 month	3 to 12 month	Total
<b>Non Derivative</b>						
Unclaimed Dividend	0	4395625	4395625	3448860	0	3448860
Customer bookings refundable	0	28026957	28026957	0	29150920	29150920
Trade payable	177469328	0	177469328	210259357	0	210259357

## Market Risk Management

### Cash flow and fair value interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Company manages its cash flow interest rate risk by converting higher rate interest loan to lower rate interest loan.

### Interest rate risk exposure

[Amt. ₹]

Particulars	2018-2019	2017-2018
Variable Rate Borrowings	3669496654	3853162046
Fixed Rate Borrowings	112448839	438046579

At the end of reporting period the Company had the following variable rate borrowings.

[Amt. ₹]

Particulars	2018-2019			2017-2018		
	Average Interest Rate %	Balance	% of Total Loan	Average Interest Rate %	Balance	% of Total Loan
Cash Credit From Bank	13.25	159657041	4.00	12.75	184484059	4.00
Term Loan From Bank & NBFC	13.29	3509839613	93.00	13.45	3668677987	85.00
Net Exposure		3669496654	97.00		3853162046	89.00

## Sensitivity Analysis

[Amt. ₹]

Particulars	Impact on PBT		Impact on other Components of Equity	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Interest Rate increase by 50 basis points	(19086003)	(20189395)	0	0

## Price Risk

The Company's exposure to equity securities price risk does not arise since company has measured investments at amortised cost.

**37. CAPITAL MANAGEMENT:**

The Company's objectives when managing capital are to

- A. Safeguard their ability to continue as a going concern, so that they can continue to provide returns to shareholders and benefits to other stakeholders, and
- B. Maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

**Net debt (total borrowings net of cash and cash equivalents & Other Bank Balances) divided by Total 'Equity'**

[Amt. ₹]

Particulars	2018-2019	2017-2018
Net Debt	<b>3533642445</b>	4011575287
Total Equity	<b>7673397815</b>	7670332722
<b>Debt Equity Ratio</b>	<b>0.46</b>	0.52

**Dividends recognized as distributed to owners:**

[Amt. ₹]

Particulars	2018-2019	2017-2018
Final Dividend	<b>88608762</b>	98303138
Tax on Dividend	<b>18213793</b>	20012207

**38. INFORMATION CONCERNING CLASSIFICATION OF SECURITIES:****Assets Mortgaged as security**

[Amt. ₹]

Particulars	2018-2019	2017-2018
<b>Current</b>		
Financial Asset:		
– First Charge	<b>0</b>	0
– Floating Charge	<b>45209929</b>	616844703
Non-Financial Asset:		
– First Charge	<b>0</b>	0
– Floating Charge	<b>6028813</b>	6650726
<b>Non-Current</b>		
– First Charge	<b>113368928</b>	7376787
<b>Total assets mortgaged as security</b>	<b>164607670</b>	630872216

**The details of security offered for the secured loans taken are as follows:****A. Loan from AU Small Finance Bank:**

Charge secured by mortgage of immovable property and interest thereon of the group company and personal guarantee of promoter directors of the company.

**B. Loan from Tamilnad Mercantile Bank Ltd.:**

Charge secured by mortgage of immovable property and interest thereon of the company and group company and personal guarantee of two promoter directors of the company & corporate guarantee of group company.

# Notes Forming Part of Accounts as at 31/03/2019

## C. **Loan from Karur Vysya Bank:**

Charge secured by mortgage of immovable property and interest thereon of the group company and personal guarantee of promoter directors of the company & corporate guarantee of group company.

## D. **Loan from Axis Finance Ltd.:**

Charge secured by mortgage of immovable property and interest thereon of the company & group company of the company and personal guarantee of two promoter directors of the company & corporate guarantee of group company.

## E. **Loan from IFCI Factors Ltd.:**

Charge secured by mortgage of immovable property and interest thereon of the group company, pledge of shares of promoters, maintenance of F.D. with lien and personal guarantee of promoter directors of the company & corporate guarantee of group companies.

## F. **Loan from PHL Fininvest Pvt. Ltd.:**

Charge secured by mortgage of immovable property and interest thereon of the company and group company, hypothecation of receivables, outstanding moneys and claims, all rights, titles, interest, claims, benefits, demands and escrow account of two units of project of group company and corporate guarantee of the group company and personal guarantee of two promoter directors of the company.

## G. **Loan from SREI Equipment Finance Ltd.:**

Charge secured by mortgage of immovable property of the promoter directors of the company and hypothecation of equipments of the company & personal guarantee of two promoter directors of the company.

## H. **Loan from PNB Housing Finance Ltd:**

Charge secured by mortgage of immovable property and interest thereon, maintenance of F.D. with lien and hypothecation of receivables, book debts, outstanding moneys and claims, escrow accounts of project, etc of the company and its group company and personal guarantee of two promoter directors of the company & pledge of shares of group company.

## I. **Loan from Venus India Asset Finance Pvt. Ltd.:**

Charge secured by mortgage of immovable property and interest thereon of the company and personal guarantee of two promoter directors of the company.

## J. **Loan from Yes Bank Ltd.:**

Charge secured by hypothecation of stocks of construction material and advances made for their purchases and equitable mortgage of land owned by company and personal guarantee of two promoter directors of the company.

## K. **Loans in respect of Vehicles are secured by the hypothecation of the vehicles financed through the loan agreement. viz. Motor Cars.**

## 39. INCOME TAXES:

[Amt. ₹]

Particulars	2018-2019	2017-2018
Current Tax	70000000	295868495
Deferred Tax	3373007	(16108531)
<b>Total Income Tax Expenses</b>	<b>73373007</b>	279759964

**Reconciliation of tax expenses and the accounting profit multiplied by Tax Rate**

[Amt. ₹]

Particulars	2018-2019	2017-2018
Profit Before Tax	185222990	670426846
Statutory Tax Rate (%)	29.12%	34.61%
Tax at statutory tax rate	53936935	232034731
Tax effects of amounts which are not deductible in calculating taxable income due to adjustments as per income tax act	19427033	46650177
Tax effects of difference between current tax rate and deferred tax rate	9039	1075056
<b>Income Tax Expense</b>	<b>73373007</b>	<b>279759964</b>

**Current Tax Asset/(Liability)**

[Amt. ₹]

Particulars	2018-2019	2017-2018
Income Tax asset at the beginning of the reporting period	0	0
Income Tax liability at the beginning of the reporting period	243889875	194689001
Increase in liability as per income tax adjustment	64567530	60088863
Income Tax paid	308457405	254777864
Income Tax Refund	0	0
Current income tax payable for the year	(73373007)	(279759964)
<b>Income Tax Asset at the end of the period</b>	<b>0</b>	<b>0</b>
<b>Income Tax Liability at the end of the period</b>	<b>25700222</b>	<b>243889875</b>

**Deferred Tax Assets/(Liabilities)**

[Amt. ₹]

Particulars	2018-2019	2017-2018
The balances comprises temporary differences attributable to :	5557329	(10551202)
<b>Deferred Tax Assets</b>		
Difference of WDV of fixed assets	568520	281232
Disallowances under the Income Tax Act, 1961	(6217361)	14638155
<b>Deferred Tax Liabilities</b>		
Disallowances under the Income Tax Act, 1961	(2275834)	6932519
Difference of WDV of fixed assets	0	(8121663)
<b>Net Deferred Tax Asset/(liability)</b>	<b>2184322</b>	<b>5557329</b>



# Notes Forming Part of Accounts as at 31/03/2019

## MOVEMENT IN DEFERRED TAX

### For the year ended on March 31, 2018

Particulars	As at April 1, 2017	Credit/ (charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at March 31, 2018
<b>Deferred tax assets/(liabilities)</b>				
Related to Fixed Assets	(2429539)	2710771		281232
Related to Income Tax Act, 1961	(8121663)	22759818		14638155
Related to Income Tax Act, 1961	0	(9362058)		(9362058)
<b>TOTAL</b>	<b>(10551202)</b>	<b>16108531</b>	<b>0</b>	<b>5557329</b>

### For the year ended on March 31, 2019

Particulars	As at March 31, 2018	Credit/ (charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at March 31, 2019
<b>Deferred tax assets/(liabilities)</b>				
Related to Fixed Assets	281232	568520		849752
Related to Income Tax Act, 1961	14638155	(6217361)		8420794
Related to Income Tax Act, 1961	(9362058)	2275834		(7086224)
<b>TOTAL</b>	<b>5557329</b>	<b>(3373007)</b>	<b>0</b>	<b>2184322</b>

## 40. SEGMENT INFORMATION:

In line with Ind AS 108 operating segments and basis of the review of operations being done by the senior management, the operations of the group falls under real estate business which is considered to be the only reportable segment by the management.

### 1. Information about Products and Services:

[Amt. ₹]

Product/Service	Revenue from the product	
	2018-2019	2017-2018
Real Estate Promotion & Development	948336533	2083943030

### 2. Information about Geographical Areas:

[Amt. ₹]

Geographical Information	Within India	
	2018-2019	2017-2018
Revenues	948336533	2083943030
Non Current Assets	4356780005	4354740893

### 3. Information about Major Customers:

Revenue from transactions with a single customer amount to 10 percent or more of entity's revenues with customer:

Real Estate Promotion & Development revenue of ₹ 18.00 crores from one party.

**41. REVENUE FROM CONTRACTS WITH CUSTOMERS:****Disaggregated Revenue Information:**

[Amt. ₹]

Particulars	Revenue from the product	
	2018-2019	2017-2018
<b>Types of Product/Service</b>		
Real Estate Promotion & Development	948336533	2083943030
<b>Geographical Disaggregation:</b>		
Revenues within India	948336533	2083943030
<b>Timing of revenue recognition wise</b>		
– At a point in time	948336533	2083943030
– Over the period of time	0	0

**Contract balances:**

The following table provides information about receivables, contracts assets and contract liabilities from contracts with customers:

[Amt. ₹]

Particulars		
	2018-2019	2017-2018
<b>Contract assets</b>		
Trade Receivables	1244536340	1214034392
<b>Contract liabilities</b>		
Booking advance received from customers	5522673	7189875
<b>Customer Booking Refundable</b>	28026957	29150920

**Revenue recognised in relation to contract liabilities:**

[Amt. ₹]

Particulars	Contract liabilities	
	2018-2019	2017-2018
Revenue recognised that was included in the contract liability balance at the beginning of the period	1674202	16110341

- 42.** During the year under review, one subsidiary viz. Maheshwari (Thaltej) Complex Private Limited ceased to be subsidiary of the Company w.e.f. 29th June, 2018.

**43. RELATED PARTY TRANSACTIONS:****Subsidiaries**

Gatil Properties Private Limited
Essem Infra Private Limited

# Notes Forming Part of Accounts as at 31/03/2019

## Other Related Parties

Starnet Software (India) Limited	Ganesh Infrastructure (India) Private Limited
Madhuj Realty Private Limited	Medhbhuti Complex Private Limited
Madhumati Realty Private Limited	Ganeshsagar Infrastructure Private Limited
Sujan Developers Private Limited	Maheshwari (Thaltej) Complex Private Limited
Shaily Infrastructure Private Limited	Martand Estate Private Ltd.
Matang Properties Private Ltd.	Maple Brandmark Private Ltd.
Mahavir (Thaltej) Complex Private Ltd.	Monsoon India Infrastructure Direct II Ltd.
Gujarat Institute of Housing & Estate Developers – GIHED	Tarang Desai
Ashish Modi	Aneri Patel
Anmol Patel	Bharat Patel

## Key Managerial Personnel

Shri Shekhar G. Patel
Shri Dipakkumar G. Patel

## Key Managerial Personnel Compensation

[Amt. ₹]

Particulars	2018-2019	2017-2018
Short term employee benefits	<b>24000000</b>	24000000

(Related parties as identified by the company and relied upon by the auditors)

Nature of transactions with related parties and aggregate amount of such transactions for each class of related party balance outstanding as on 31/03/2019:-

[Amt. ₹]

Particulars	2018-2019			2017-2018		
	Subsidiary	Other Related Parties	Key Managerial Person	Subsidiary	Other Related Parties	Key Managerial Person
<b>BUSINESS ADVANCES:-</b>						
Shaily Infrastructure Pvt Ltd.		<b>119557803</b>			188495639	
Essem Infra Private Limited	<b>2872587160</b>			3374991142		
Gatil Properties Pvt Ltd.	<b>780000</b>			300000		
Maheshwari (Thaltej) Complex Pvt Ltd		<b>3933612</b>		80844154		
Yash Organiser Pvt Ltd				34040420		
Mahavir (Thaltej) Complex Pvt Ltd		<b>1510000</b>				
<b>ADVANCES FOR PURCHASE OF LAND:-</b>						
Starnet Software (India) Ltd		<b>1949607667</b>			1937667667	
<b>INVESTMENT:-</b>						
Gatil Properties Pvt Ltd.	<b>1906957410</b>			1906957410		
Maheshwari (Thaltej) Complex Pvt Ltd				100000		
Essem Infra Pvt Ltd	<b>147389957</b>			122582149		
Starnet Software (India) Ltd.					100	

[Amt. ₹]

Particulars	2018-2019			2017-2018		
	Subsidiary	Other Related Parties	Key Managerial Person	Subsidiary	Other Related Parties	Key Managerial Person
Ganesh Infrastructure (India) Pvt Ltd.					100000	
<b>ADVANCE PAID FOR PURCHASE OF INVESTMENT:-</b>						
Monsoon India Infrastructure Direct II Ltd.		<b>199930737</b>			199930737	
<b>TRADE RECEIVABLES:-</b>						
Starnet Software (India) Ltd.		<b>104395625</b>			103113510	
Essem Infra Private Limited	<b>208800000</b>					
Shaily Infrastructure Pvt. Ltd.		<b>33573576</b>				
<b>REIMBURSEMENT OF EXPENSES:-</b>						
Shaily Infrastructure Pvt. Ltd.		<b>212161</b>			155401	
Madhuj Realty Pvt. Ltd.		<b>109619</b>			109619	
Madhumati Realty Pvt. Ltd.		<b>26140</b>			26140	
Martand Estate Pvt. Ltd.		<b>4139</b>			4139	
Matang Properties Pvt. Ltd.		<b>4139</b>			4139	
Medhbhuti Complex Pvt. Ltd.		<b>208749</b>			208749	
Ganeshsagar Infrastructure Pvt. Ltd.					31171016	
Sujan Developers Pvt. Ltd.		<b>233330</b>			233330	
Maple Brandmark Pvt. Ltd.		<b>18000</b>				
<b>TRADE PAYABLES:-</b>						
Ashish Modi – Siting Fee		<b>23850</b>				49500
Bharat J Patel – Siting Fee		<b>9000</b>				27450
Tarang M Desai – Siting Fee		<b>25830</b>				47250
Aneri D Patel – Sitting Fees		<b>10980</b>				27450
Dipakkumar Govindbhai Patel		<b>42453475</b>				42882400
Shekhar Govindbhai Patel		<b>42453475</b>				42882400
Shekhar Govindbhai Patel – Unpaid Remuneration		<b>655197</b>				594588
Dipakkumar Govindbhai Patel – Unpaid Remuneration		<b>654605</b>				587552
Anmol Dipakkumar Patel		<b>152674</b>			195948	
Gujarat Institute Of Housing & Estate Developers – Gihed		<b>2349000</b>			481944	
<b>Remuneration To Directors</b>						
Dipakkumar G. Patel		<b>12000000</b>				12000000
Shekhar G. Patel		<b>12000000</b>				12000000
<b>INCOME :-</b>						
Starnet Software (India) Ltd. – Profit On Waiver of Land Right					330000000	

# Notes Forming Part of Accounts as at 31/03/2019

[Amt. ₹]

Particulars	2018-2019			2017-2018		
	Subsidiary	Other Related Parties	Key Managerial Person	Subsidiary	Other Related Parties	Key Managerial Person
Essem Infra Private Limited- Marketing Management Fees Income	<b>180000000</b>					
Shaily Infrastructure Pvt. Ltd. – Interest Income		<b>33573576</b>				
<b>EXPENSES:-</b>						
Director's Medical Exp.						523304
Sitting Fee			<b>159000</b>			165683
Director's Foreign Travelling Exp.			<b>983626</b>			3401887
Works Contract Expenses - Ashish H. Modi - A. Modi Construction Co.			<b>1049365</b>			
Salary To Anmol Dipakkumar Patel		<b>2400000</b>			400000	
Purchase of Land						85784800

**44. EMPLOYEE BENEFITS: DEFINED CONTRIBUTION PLAN:**

[Amt. ₹]

Particulars	2018-2019	2017-2018
Employer's contribution to Provident Funds	<b>1350468</b>	1426991
Employer's contribution to ESIC	<b>299361</b>	403193
Employer's contribution to Gratuity Fund	<b>4002885</b>	12657889

**45. THE DETAILS OF BUSINESS ADVANCES & LOANS GIVEN FOR BUSINESS PURPOSES ARE AS FOLLOWS:**

[Amt. ₹]

Particulars	Balance as on 31/03/2019	Balance as on 31/03/2018
<b>A: Non Current Assets Financial Assets – Loan</b>		
<b>Business Advances given to others:</b>		
Ganesh Plantations Limited	<b>0</b>	15042325
Noopur Construction	<b>7500000</b>	7500000
Nisha Construction	<b>7500000</b>	7500000
<b>TOTAL</b>	<b>15000000</b>	30042325
<b>B: Current Assets Financial Assets – Loan</b>		
<b>Business Advances to Subsidiary Companies:</b>		
Gatil Properties Private Limited	<b>780000</b>	300000
Maheshwari (Thaltej) Complex Private Limited	<b>0</b>	80844154
Essem Infra Private Limited	<b>2872587160</b>	3374991142
<b>TOTAL</b>	<b>2873367160</b>	3456135296

[Amt. ₹]

Particulars	Balance as on 31/03/2019	Balance as on 31/03/2018
<b>Short Term Business Advances to Other Related Companies:</b>		
Maheshwari (Thaltej) Complex Private Limited	3933612	0
Shaily Infrastructure Private Limited	119557803	188495639
Mahavir (Thaltej) Complex Private Limited	1510000	0
Yash Organiser Private Limited	0	34040420
<b>TOTAL</b>	<b>125001415</b>	<b>222536059</b>
<b>Short Term Business Advances to Others:</b>		
Mahalaxmi Co-op Housing Society Limited	569366	0
Shangrila Funworld Private Limited	693764878	693764878
Yash Organiser Private Limited	38685646	0
Madhughosh Ventures LLP	0	97914556
<b>TOTAL</b>	<b>733019890</b>	<b>791679434</b>

**46. CHANGES IN ACCOUNTING POLICIES:**

This note explains the impact of adoption of Ind AS 115 Revenue from Contract with Customers on Financial Statements

The company applied Ind AS 115 for first time by using modified retrospective method of adoption with the date of initial application of 1st April 2018. Under this method company recognised cumulative impact in the opening balance of retained earnings as at 1st April 2018. Comparative prior period has not been adjusted.

The company did not have any contracts which were not completed on the initial application date of Ind AS 115. Hence, the impact on retained earnings on the initial application of Ind AS 115 is ₹ Nil.

**47. CONTINGENT LIABILITIES:**

- A.** For the Asst. Year 2010-11 the Income-tax Department has reopened the case of the company u/s. 147 of the I.T. Act, 1961 and has passed the order u/s. 143(3) r.w.s. 147 of the Act and has raised the demand of ₹ 13,03,34,350/-. The company has filed an application u/s. 264 of the I.T. Act, 1961 for Revision of the Order rendered u/s. 143(3) r.w.s.147 of the I.T. Act, 1961 vide application filed before the Pr. Commissioner of Income-tax-2, Ahmedabad for setting aside the order for denovo fresh assessment as the Assessing Officer has not granted proper opportunity of hearing to the company. The said application is allowed by Pr. CIT-2, Ahmedabad for denovo assessment and the said assessment is pending.
- B.** For the Asst. Year 2011-12 the Income-tax Department has reopened the case of the company u/s. 147 of the I.T. Act, 1961 and has passed the order u/s. 143(3) r.w.s. 147 of the Act and has raised the demand of ₹ 18,50,54,140/-. The company has filed an application u/s. 264 of the I.T. Act, 1961 for Revision of the Order rendered u/s. 143(3) r.w.s. 147 of the I.T. Act, 1961 vide application filed before the Pr. Commissioner of Income-tax-2, Ahmedabad for setting aside the order for denovo fresh assessment as the Assessing Officer has not granted proper opportunity of hearing to the company. The said application is allowed by Pr.CIT-2, Ahmedabad for denovo assessment and the said assessment is pending.



- C.** For the Asst. Year 2015-16 the assessee was under scrutiny assessment under the Income-tax Act 1961 and the A.O. has passed the order u/s. 143(3) of the Act and has raised the demand of ₹ 24,29,69,200/-. The company has filed an application u/s. 264 of the I.T. Act, 1961, for Revision of the order rendered u/s. 143(3) of the Act for A.Y. 2015-16, filed before Pr. Commissioner of Income-tax-2, Ahmedabad for setting aside the order for denovo fresh assessment as the Assessing Officer has not granted proper opportunity of hearing to the company. The said application is allowed by Pr. CIT-2, Ahmedabad for denovo fresh assessment and the said assessment is pending.
- D.** The Company has given security & guarantee for Non Convertible Debentures issued by Essem Infra Private Limited to the tune of ₹ 225.00 crores & term loan of ₹ 225.00 crores taken by Essem Infra Private Limited. The trustees for the said NCD & term loan are IDBI Trusteeship Services Limited in whose favour the guarantee is given. The outstanding balance of NCD as on 31st March, 2019 is ₹ 55.67 crores & for term loan ₹ 224.99 crores.
- E.** There are several cases being for at various statutes level pertaining to taxation both direct & indirect, where the company has won the matter at lower level statutes and the concerned department has preferred an appeal.
- F.** There are several cases filed by the company and against the company pertains to land disputes which are being fought at various statutes level.

As per our Report of even date  
For **PURNESH R. MEHTA & CO.**  
Chartered Accountants  
FRN: 142830W

**Purnesh Mehta**  
Proprietor  
Membership No. 032812

Place: Ahmedabad  
Date: 30/05/2019

On behalf of the Board of Directors

**Dipakkumar G. Patel**  
Chairman & Whole-time Director  
[DIN: 00004766]

**Rajendra Shah**  
Chief Financial Officer

Place: Ahmedabad  
Date: 30/05/2019

**Shekhar G. Patel**  
Managing Director  
[DIN: 00005091]

**Priti Kapadia**  
Company Secretary

# Independent Auditors' Report

TO THE MEMBERS OF:

**GANESH HOUSING CORPORATION LIMITED,**

## **Report on the audit of the Consolidated Financial Statements**

### **Opinion**

We have audited the accompanying Consolidated Financial Statements of GANESH HOUSING CORPORATION LIMITED ("the company"), and its subsidiaries (together referred to as 'the Group') which comprise the Consolidated Balance Sheet as at 31st March, 2019, the Consolidated Statement of Profit and Loss (including other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated statement of changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated financial statement").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under

section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, the consolidated profit (including other consolidated comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

### **Basis for opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key audit matters**

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report.

The key audit matters	How our audit addressed the key audit matter
<b>Adoption of Ind AS 115 – Revenue from Construction Contract</b>	
<p>As described in Note 29 – 1.4 to the Consolidated Financial Statements, the Group has adopted Ind AS 115, Revenue from Contracts with Customers ('Ind AS 115') which is the new revenue accounting standard. The application and transition to this accounting standard is complex and is an area of focus in the audit. The revenue standard establishes a comprehensive framework for determining whether, how much and when revenue is recognized. This involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of identified performance obligation, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, the standard mandates robust disclosures in respect of revenue and periods over which the remaining performance obligations will be satisfied subsequent to the consolidated balance sheet date. The Group adopted Ind AS 115 and applied the available exemption provided therein, to not restate the comparative periods.</p> <p>Refer to notes 29 – 1.4 &amp; 47 to the Consolidated financial statements.</p>	<p>Our audit procedures on adoption of Ind AS 115, Revenue from contracts with Customers ('Ind AS 115'), which is the new revenue accounting standard, include –</p> <ul style="list-style-type: none"> <li>• Evaluated the design and implementation of the processes and internal controls relating to implementation of the new revenue accounting standard;</li> <li>• Evaluated the detailed analysis performed by management on revenue streams by selecting samples for the existing contracts with customers and considered revenue recognition policy in the current period in respect of those revenue streams;</li> <li>• Evaluated the changes made to IT systems to reflect the changes required in revenue recognition as per the new accounting standard;</li> <li>• Evaluated the cumulative effect adjustments as at 1 April 2018 for compliance with the new revenue standard; and</li> <li>• Evaluated the appropriateness of the disclosures provided under the new revenue standard and assessed the completeness and mathematical accuracy of the relevant disclosures.</li> </ul>
<b>Evaluation of uncertain tax positions</b>	
<p>The Group is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business including direct and indirect tax matters. These involve significant management judgment to determine the possible outcome of the uncertain tax positions, consequently having an impact on related accounting and disclosures in the Consolidated Financial Statements.</p> <p>Refer Note 46 to the financial statements.</p>	<p>Our audit procedures include the following substantive procedures:</p> <ul style="list-style-type: none"> <li>• Obtained understanding of key uncertain tax positions; and</li> <li>• We along with our internal tax experts – <ul style="list-style-type: none"> <li>➢ Read and analysed select key correspondences, external legal opinions/consultations by management for key uncertain tax positions;</li> <li>➢ Discussed with appropriate senior management and evaluated management's underlying key assumptions in estimating the tax provisions; and</li> <li>➢ Assessed management's estimate of the possible outcome of the disputed cases.</li> </ul> </li> </ul>

### Other information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the Consolidated Financial Statements and our auditors' report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other consolidated comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with relevant rules issued there under. The management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design implementation and maintenance of adequate internal financial controls,

that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, management and Board of Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Group financial reporting process.

### Auditor's responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls with reference to Consolidated Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Consolidated Financial Statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

We communicate with those charged with governance of the Holding Company and its subsidiaries included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on other legal and regulatory requirements**

1. As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and beliefs were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;
  - b. In our opinion proper books of accounts as required by Law relating to preparation of aforesaid Consolidated Financial Statements have been kept so far as it appears from our examinations of those books;
  - c. The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss including Consolidated Other Comprehensive Income,

the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements;

- d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with relevant rules issued there under;
- e. On the basis of written representations received from the directors as on 31st March, 2019, taken on record by the Board of Directors of the companies and its subsidiary companies incorporated in India, none of the directors of the Group is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and its subsidiary companies and the operating effectiveness of such controls, refer to our separate report in Annexure – A.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Consolidated Financial Statements disclose the impact of pending litigations as at 31 March 2019 on the consolidated financial position of the Group. Refer Note No. 46 [A to F] to the Consolidated Financial Statements.
  - ii. The Company and its subsidiary companies did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies during the year ended 31st March, 2019.

For **PURNESH R. MEHTA & CO.**

Chartered Accountants

FRN: 142830W

**PURNESH MEHTA**

Proprietor

Membership No.: 032812

Place: Ahmedabad

Date: 30/05/2019



# Annexure - A

## To the Independent Auditors' Report on Consolidated Financial Statements

TO THE MEMBERS OF:

**GANESH HOUSING CORPORATION LIMITED,**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Ganesh Housing Corporation Limited ("the Company") and its subsidiaries which are companies incorporated in India (together referred to as 'the Group') as of March 31, 2019 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Group are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of chartered accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Group internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Group internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

The Group internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The Group internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Group; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Group are being made only in accordance with authorisations of management and directors of the Group; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Group assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls,

material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Group have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of chartered accountants of India.

For **PURNESH R. MEHTA & CO.**  
Chartered Accountants  
FRN: 142830W

Place: Ahmedabad  
Date: 30/05/2019

**PURNESH MEHTA**  
Proprietor  
Membership No.: 032812

# Consolidated Balance Sheet

as at 31st March, 2019

[Amt. ₹]

Particulars	Note	As at the End of Current Reporting Period 31/03/2019	As at the End of Previous Reporting Period 31/03/2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property Plant and Equipment	1	2076137698	2082428282
Capital Work-In-Progress		983621	0
Goodwill		171730019	151552480
Other Intangible assets	2	253686	912657
<b>Financial Assets</b>			
Investments	3	0	100100
Loans	4	15000000	312476570
Other financial Assets	5	231475375	408632206
Deferred tax assets (net)	6	505764152	7797764
		<b>3001344551</b>	<b>2963900059</b>
<b>Current assets</b>			
Inventories	7	8153471698	5104480255
<b>Financial Assets</b>			
Trade receivables	8	1063790867	4850271972
Cash and cash equivalents	9	99619998	143160901
Bank balances other than above	10	331900396	317199881
Loans	11	4328404410	4524240673
Other current assets	12	483246230	488053900
		<b>14460433599</b>	<b>15427407582</b>
<b>TOTAL ASSETS</b>		<b>17461778150</b>	<b>18391307641</b>
<b>Equity</b>			
Equity Share capital	13	492270900	492270900
Other Equity	14	6980111451	8399631063
		<b>7472382351</b>	<b>8891901963</b>
<b>Non-controlling Interest</b>		<b>926743104</b>	<b>926860577</b>
<b>Total Equity</b>		<b>8399125455</b>	<b>9818762540</b>
<b>Non-current liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	15	4725704362	4830053794
Other non-current liabilities	16	146553220	172025854
		<b>4872257582</b>	<b>5002079648</b>
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	17	304256946	817951293
Trade payables	18		
– Total outstanding dues of micro enterprises and small enterprises		0	0
– Total outstanding dues of creditors other than micro enterprises and small enterprises		375243660	409980750
Other current financial liabilities	19	1675589350	1594258106
Other current liabilities	20	1827945842	445408998
Current Tax Liabilities (Net)	21	7359315	302866306
		<b>4190395113</b>	<b>3570465453</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>17461778150</b>	<b>18391307641</b>
<b>Significant Accounting Policies &amp; Notes Forming Part of Accounts</b>	1 to 47		

As per our Report of even date  
For **PURNESH R. MEHTA & CO.**  
Chartered Accountants  
FRN: 142830W

**Purnesh Mehta**  
Proprietor  
Membership No. 032812

Place: Ahmedabad  
Date: 30/05/2019

On behalf of the Board of Directors

**Dipakkumar G. Patel**  
Chairman & Whole-time Director  
[DIN: 00004766]

**Rajendra Shah**  
Chief Financial Officer

Place: Ahmedabad  
Date: 30/05/2019

**Shekhar G. Patel**  
Managing Director  
[DIN: 00005091]

**Priti Kapadia**  
Company Secretary

# Consolidated Statement of Profit & Loss

for the year ended on 31st March, 2019

[Amt. ₹]

Particulars	Note	For the Current Reporting Period 2018-2019	For the Previous Reporting Period 2017-2018
<b>I INCOME:</b>			
Revenue from Operations	22	2610968684	5001877741
Other Income	23	61088224	80574275
<b>TOTAL INCOME</b>		<b>2672056908</b>	5082452016
<b>II EXPENSES:</b>			
Cost of Material Consumed	24	699970335	829055707
Changes in Inventories	25	872975109	1838601789
Employee Benefits Expense	26	153347424	156487331
Finance Cost	27	917463322	1005200072
Other Expenses	28	175900161	227518519
Depreciation and Amortisation Expense		22621194	25815175
<b>TOTAL EXPENSES</b>		<b>2842277545</b>	4082678593
<b>III Profit Before Tax</b>		<b>(170220637)</b>	999773423
<b>IV Less: Tax Expenses:</b>			
Current Tax		(69993830)	(514669965)
Deferred Tax		505681386	22884567
		<b>435687556</b>	(491785398)
<b>V Profit for the period</b>		<b>265466919</b>	507988025
<b>VI Other Comprehensive Income</b>		<b>0</b>	0
<b>Total of Other Comprehensive Income</b>		<b>0</b>	0
<b>VII Total Comprehensive Income for the period</b>		<b>265466919</b>	507988025
Total Comprehensive Income attributable to			
Owners of the Company		265584392	508690356
Non-Controlling Interests		(117473)	(702331)
		<b>265466919</b>	507988025
<b>VIII Earning Per share [Amt. ₹]</b>	32		
(Face value of ₹ 10 per share)			
– Basic		5.40	10.36
– Diluted		5.40	10.36
<b>IX Significant Accounting Policies &amp; Notes Forming Part of Accounts</b>	1 to 47		

As per our Report of even date  
For **PURNESH R. MEHTA & CO.**  
Chartered Accountants  
FRN: 142830W

**Purnesh Mehta**  
Proprietor  
Membership No. 032812

Place: Ahmedabad  
Date: 30/05/2019

On behalf of the Board of Directors

**Dipakkumar G. Patel**  
Chairman & Whole-time Director  
[DIN: 00004766]

**Rajendra Shah**  
Chief Financial Officer

Place: Ahmedabad  
Date: 30/05/2019

**Shekhar G. Patel**  
Managing Director  
[DIN: 00005091]

**Priti Kapadia**  
Company Secretary

# Consolidated Cash Flow Statement

for the year 2018-2019

[Amt. ₹]

Particulars	Note	2018-2019	2017-2018
<b>A Cash Flow From Operating Activities:</b>			
Profit Before Tax		(170220637)	999773423
Provision For Taxation		(69993830)	(514669965)
		(69993830)	(514669965)
Net Profit After Tax		(240214467)	485103458
Add/Less Adjustments For			
Depreciation		22621194	25815175
Interest Expenses		917463322	1005200072
Employees Stock option scheme		(1962335)	(16443688)
Interest Income		(61088224)	(29326519)
Adjustments relating to IND AS-115		(1105500470)	0
		(228466513)	985245040
<b>Operating Profit Before Working Capital Changes</b>		<b>(468680980)</b>	<b>1470348498</b>
Add/Less Adjustments For			
Inventories		(3048991443)	2093184151
Trade & Other Receivables		3193057546	(1789700063)
Other Current Assets		379142786	(42172837)
Trade Payables		191378814	19896079
Other Current Liabilities		1355771791	(868185928)
		2070359494	(586978598)
Taxes Paid (Net)		(309645851)	(130461505)
Net Cash Generated From Operations		<b>1760713643</b>	<b>(717440103)</b>
<b>B Cash Flow From Investing Activities:</b>			
Purchase of Fixed Assets		(18914620)	(5462270)
Capital Work In Progress		(983621)	0
Sale of Fixed Assets		3242981	27810977
Movement In Investments		100100	0
Movement In Loans & Advances		796508866	208150472
Interest Received		61088224	29326519
Net Cash Used In Investing Activities		<b>841041930</b>	<b>259825698</b>

[Amt. ₹]

Particulars	Note	2018-2019	2017-2018
<b>C Cash Flow From Financing Activities:</b>			
Changes in Share Capital		0	2242710
Changes in Security Premium		0	39695967
Changes in Borrowings		(1119967761)	117422653
Finance Cost Paid		(917463322)	(1005200072)
Changes due to Non Controlling Interest		(117473)	(133844106)
Changes due to Subsidiary		(17543870)	52899300
Dividend Paid (Including Dividend Distribution Tax)		(106822555)	(118315345)
Net Cash Used in Financing Activities		(2161914981)	(1045098893)
<b>Net Increase in Cash and Cash Equivalents</b>		<b>(28840388)</b>	<b>(32364800)</b>
<b>Opening Balance of Cash and Cash Equivalents</b>		<b>460360782</b>	<b>492725582</b>
<b>Closing Balance of Cash and Cash Equivalents*</b>		<b>431520394</b>	<b>460360782</b>
<b>Components of Cash and Cash Equivalents</b>			
Cash on hand		1554798	2813762
Balances with Banks*		98065200	140347139
Other Balances other than above		331900396	317199881
<b>Total</b>		<b>431520394</b>	<b>460360782</b>

\* Include towards Unclaimed Dividend of ₹ 4388946/- (Pre. Yr. ₹ 3448771/-)

**Significant Accounting Policies**

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**Note:** Effective April 1, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of the amendment did not have any material impact on the financial statements.

As per our Report of even date  
For **PURNESH R. MEHTA & CO.**  
Chartered Accountants  
FRN: 142830W

**Purnesh Mehta**  
Proprietor  
Membership No. 032812

Place: Ahmedabad  
Date: 30/05/2019

On behalf of the Board of Directors

**Dipakkumar G. Patel**  
Chairman & Whole-time Director  
[DIN: 00004766]

**Rajendra Shah**  
Chief Financial Officer

Place: Ahmedabad  
Date: 30/05/2019

**Shekhar G. Patel**  
Managing Director  
[DIN: 00005091]

**Priti Kapadia**  
Company Secretary



# Consolidated Statement of Changes in Equity

for the year ended on 31/03/2019

[Amt. ₹]

**A. EQUITY SHARE CAPITAL**

Particulars	AS AT 31/03/2019	AS AT 31/03/2018
Balance at the beginning of the year	492270900	490028190
Changes in Equity Share capital During the year	0	2242710
Balance at the end of the reporting period	<b>492270900</b>	<b>492270900</b>

**B. OTHER EQUITY**

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus					Employee Stock Option Outstanding	Total
			Capital Reserve	Securities Premium Reserve	General Reserves	Retained Earnings/ profit & loss	Debt Redemption Reserve		
<b>Balance as at 01/04/2017</b>	0	0	169675529	2289761114	587585910	4861242926	50000000	18406023	7976671502
Total Comprehensive Income for the year	0	0	0	0	0	508690356	0	0	508690356
Dividends	0	0	0	0	0	(98303138)	0	0	(98303138)
Tax on Dividends	0	0	0	0	0	(20012207)	0	0	(20012207)
Adjustment Due to Subsidiary						9332271			9332271
Adjustments relating to IND AS-115	0	0	0	0	0	0		(16443688)	0
Employee Stock Options (Net)									
Transfer to Share Capital on Issue of Bonus Shares	0	0	0	0	0	0	0	0	0
Transfer from profit & loss A/c.	0	0	0	0	0	(283000000)	283000000	0	0
Transfer from Debenture Redemption Reserve to General Reserve	0	0	0	0	0	0	0	0	0
Addition during the year	0	0	0	39695967	0	0	0	0	39695967
<b>Balance as at 01/04/2018</b>	<b>0</b>	<b>0</b>	<b>169675529</b>	<b>2329457081</b>	<b>587585910</b>	<b>4977950208</b>	<b>333000000</b>	<b>1962335</b>	<b>8399631063</b>
<b>Total Comprehensive Income for the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>265584392</b>	<b>0</b>	<b>0</b>	<b>265584392</b>
Dividends	0	0	0	0	0	(88608762)	0	0	(88608762)
Tax on Dividends	0	0	0	0	0	(18213793)	0	0	(18213793)
Adjustment Due to Subsidiary						(470818644)	0	0	(470818644)
Adjustments relating to IND AS-115	0	0	0	0	0	(1105500470)	0	0	(1105500470)
Employee Stock Options (Net)								(1962335)	(1962335)
Transfer from Debenture Redemption Reserve to General Reserve	0	0	0	0	193000000	0	(193000000)	0	0
Addition during the year	0	0	0	0	0	0	0	0	0
<b>Balance as at 31/03/2019</b>	<b>0</b>	<b>0</b>	<b>169675529</b>	<b>2329457081</b>	<b>780585910</b>	<b>3560392931</b>	<b>140000000</b>	<b>0</b>	<b>6980111451</b>

# Notes Forming Part of Consolidated Accounts

as at 31/03/2019

[Amt. ₹]

## NOTE - 1 PROPERTY, PLANT & EQUIPMENT

Description of Assets	Gross Block			Depreciation			Net Block	
	As at 01-04-2018	Addition During Year	Deductions During Year	As at 31-03-2019	As at 01-04-2018	Depreciation/ Amortisation During the Year	As at 31-03-2019	As at 31-03-2018
<b>Tangible Assets:</b>								
Land	1927532433	0	0	1927532433	0	0	1927532433	1927532433
Office Premises	132329043	3181594	0	135510637	22350156	6182214	106978267	109978887
Plant & Machinery	2684569	0	0	2684569	1266086	258607	1159876	1418483
Furniture & Fixtures	28642588	21183	0	28663771	14699889	3767222	10196660	13942699
Vehicles	56796261	14813440	3798749	67810952	35164164	8642679	24559877	21632097
Office Equipments	20044148	448164	0	20492312	12999226	2628764	4864322	7044922
Computer	2964095	436238	0	3400333	2085334	468736	846263	878761
<b>Total</b>	<b>2170993137</b>	<b>18900619</b>	<b>3798749</b>	<b>2186095007</b>	<b>88564855</b>	<b>21948222</b>	<b>2076137698</b>	<b>2082428282</b>
<b>Previous Year</b>	<b>2194478208</b>	<b>5412329</b>	<b>28897400</b>	<b>2170993137</b>	<b>64575256</b>	<b>25090840</b>	<b>2082413464</b>	

[Amt. ₹]

## NOTE - 2 OTHER INTANGIBLE ASSETS

Description of Assets	Gross Block			Depreciation			Net Block	
	As at 01-04-2018	Addition During Year	Deductions During Year	As at 31-03-2019	As at 01-04-2018	Depreciation/ Amortisation During the Year	As at 31-03-2019	As at 31-03-2018
<b>Intangible Assets:</b>								
Software	3790295	14001	1778821	2025475	2877638	672972	253686	912657
<b>Total</b>	<b>3790295</b>	<b>14001</b>	<b>1778821</b>	<b>2025475</b>	<b>2877638</b>	<b>672972</b>	<b>253686</b>	<b>912657</b>
<b>Previous Year</b>	3932477	49941	192123	3790295	2345426	724335	912657	
NOTE: Closing Balance of previous year is not becoming opening balance of current year, as during the year two companies ceased to be subsidiaries of company.								
<b>Grand Total</b>	<b>2174783432</b>	<b>18914620</b>	<b>5577570</b>	<b>2188120482</b>	<b>91442493</b>	<b>22621194</b>	<b>2076391384</b>	<b>2083340939</b>
<b>Grand Total Previous Year</b>	2198410685	5462270	29089523	2174783432	66660730	25503074	2083326121	0

# Notes Forming Part of Consolidated Accounts

as at 31/03/2019

[Amt. ₹]

Particulars	As At 31/03/2019	As At 31/03/2018
<b>NOTE - 3 INVESTMENTS</b>		
<b>Investments in Equity Instruments:-</b>		
<b>Unquoted &amp; Fully paid up:-</b>		
<b>Investment in other Companies:-</b>		
10 Equity Shares (Previous year 10) of ₹ 10/- each in Starnet Software (India) Ltd.	0	100
10,000 Equity Shares (Previous year 10,000) of ₹ 10/- each in Ganesh Infrastructure (India) Pvt Ltd.	0	100000
<b>TOTAL</b>	<b>0</b>	<b>100100</b>

**NOTE - 4 LOANS [NON CURRENT]****[UNSECURED, CONSIDERED GOOD]**

Non Current Loans & Advances:-		
Business Advances to Others	15000000	312476570
[Refer Note No. 43(A) for details]		
<b>TOTAL</b>	<b>15000000</b>	<b>312476570</b>

**NOTE - 5 OTHER FINANCIAL ASSETS**

Advance paid for purchase of Investments	199930737	199930737
Service Tax recoverable from members	935118	1052332
Electricity, AUDA, Legal charges receivable for projects	30609520	207649137
<b>TOTAL</b>	<b>231475375</b>	<b>408632206</b>

**NOTE - 6 DEFERRED TAX ASSETS (NET)**

<b>Deferred Tax Assets:-</b>		
Timing Difference :-		
Related to Fixed Assets	857180	288273
Related to Income Tax Act, 1961	511993196	16871549
<b>TOTAL A</b>	<b>512850376</b>	<b>17159822</b>
<b>Deferred Tax Liabilities:-</b>		
Timing Difference :-		
Related to Income Tax Act, 1961	7086224	9362058
<b>TOTAL B</b>	<b>7086224</b>	<b>9362058</b>
<b>Total A - B = Net Deferred Tax Assets</b>	<b>505764152</b>	<b>7797764</b>

[Amt. ₹]

Particulars	As At 31/03/2019	As At 31/03/2018
<b>NOTE - 7 INVENTORIES</b>		
<b>INVENTORIES (As taken, valued &amp; certified by Management)</b>		
Raw-materials	<b>23013160</b>	33279794
Work-In-Process & Finished Goods (Construction Projects)	<b>8130458538</b>	5071200461
<b>TOTAL</b>	<b>8153471698</b>	5104480255

**NOTE - 8 TRADE RECEIVABLES**

<b>[UNSECURED, CONSIDERED GOOD]</b>		
– Considered Good - Secured	<b>0</b>	0
– Considered Good - Unsecured	<b>1063790867</b>	4850271972
<b>TOTAL</b>	<b>1063790867</b>	4850271972

**NOTE - 9 CASH & CASH EQUIVALENTS**

Cash on hand	<b>1554798</b>	2813762
Balances with Banks:		
In other accounts	<b>98065200</b>	140347139
<b>TOTAL</b>	<b>99619998</b>	143160901

**NOTE - 10 OTHER BANK BALANCES**

Balances with Banks & NBFCs':		
– In FD Accounts < 12 months	<b>327511450</b>	313751110
– In unpaid dividend account	<b>4388946</b>	3448771
<b>TOTAL</b>	<b>331900396</b>	317199881

**NOTE - 11 LOANS [CURRENT]****[UNSECURED, CONSIDERED GOOD]**

Short Term Loans & Advances:-		
Business Advances to related parties:-		
– Other Related Parties	125001415	222536059
[Refer Note No. 43(B) for details]	<b>125001415</b>	222536059
Business Advances to Others [Refer Note No. 43(B) for details]	<b>2149174806</b>	2247923930
Advances for Purchase of land to:		
– Related Party	1953745834	1941805834
– Others	5106000	6948710
	<b>1958851834</b>	1948754544
Advances to Others #	<b>95376355</b>	105026140
<b>TOTAL</b>	<b>4328404410</b>	4524240673

# Includes staff loan, prepaid expenses &amp; reimbursement.

# Notes Forming Part of Consolidated Accounts

as at 31/03/2019

[Amt. ₹]

Particulars	As At 31/03/2019	As At 31/03/2018
<b>NOTE - 12 OTHER CURRENT ASSETS</b>		
Advance to Suppliers	1470976	15097119
Registration deposit	1393283	1164354
GST & Service Tax (Input)	120601323	86626022
Interest Receivable	127088	0
Advance payment of Income Tax & TDS	1345967353	1265816405
Less:-		
Provision for Income Tax	986313793	880650000
	359653560	385166405
<b>TOTAL</b>	<b>483246230</b>	<b>488053900</b>

**NOTE - 13 EQUITY SHARE CAPITAL:**

AUTHORISED:-		
5,00,00,000 (Previous year 5,00,00,000) Equity Shares of ₹ 10/- each	500000000	500000000
	500000000	500000000
Issued, Subscribed and Paid up Capital:-		
4,92,27,090 (Previous year 4,92,27,090) Equity shares of ₹ 10/- each fully paid up	492270900	492270900
<b>TOTAL</b>	<b>492270900</b>	<b>492270900</b>

**NOTE :**

13.1. The reconciliation of number of shares at the beginning of the year and at the close of the year is set out below:

Particulars	As At 31/03/2019	As At 31/03/2018
Equity shares at the beginning of the year	49227090	49002819
Add: Shares issued during the year	0	224271
Equity shares at the end of the year	49227090	49227090

13.2. The Statement of Shareholders Holding More Than 5% Equity Shares of The Company:-

Particulars	As At 31/03/2019		As At 31/03/2018	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Dipakkumar G. Patel	11758752	23.89	12158752	24.70
Shekhar G. Patel	13306662	27.03	14106662	28.66

13.3. Right, Preferences and Restrictions attached to shares:

The Company has one class of equity shares having a par value of ₹ 10/- each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

13.4. 16334273 Equity shares of ₹ 10/- each are allotted, in the ratio of 1 equity share to the holder of 2 equity shares, as fully paid up Bonus Shares by capitalisation of profits in F.Y. 2016-17.

13.5. 224271 Equity shares of ₹ 10/- each fully paid up are allotted during F.Y. 2017-18 on conversion of options under ESOP 2010 Scheme.

[Amt. ₹]

Particulars	As At 31/03/2019	As At 31/03/2018
<b>NOTE - 14 OTHER EQUITY</b>		
(a) SECURITY PREMIUM		
Balance As Per Last Balance Sheet	<b>2329457081</b>	2289761114
Add: Addition during the year - Issue of ESOP Shares	<b>0</b>	39695967
	<b>2329457081</b>	2329457081
(b) GENERAL RESERVE		
Balance As Per Last Balance Sheet	<b>587585910</b>	587585910
Add : Transfer from Debenture Redemption Reserve	<b>193000000</b>	0
	<b>780585910</b>	587585910
(c) DEBENTURES REDEMPTION RESERVE		
Balance As Per Last Balance Sheet	<b>333000000</b>	50000000
Less : Transfer to General Reserve	<b>(193000000)</b>	0
Add : Transfer from Profit & Loss A/c	<b>0</b>	283000000
	<b>140000000</b>	333000000
(d) EMPLOYEES' STOCK OPTION OUTSTANDING		
Less: Deferred Employees' Compensation	<b>(1962335)</b>	(16443688)
	<b>0</b>	1962335
(e) CAPITAL RESERVE		
Balance As Per Last Balance Sheet	<b>169675529</b>	169675529
Add : Adjustment due to subsidiary	<b>0</b>	0
	<b>169675529</b>	169675529
(f) PROFIT & LOSS		
Balance As Per Last Balance Sheet	<b>4977950208</b>	4861242926
Add : Adjustment due to subsidiary	<b>(470818644)</b>	9332271
Less : Adjustments relating to IND AS-115 - [Refer note no. 47]	<b>(1105500470)</b>	0
Add : Transfer from Profit & Loss Statement	<b>265584392</b>	508690356
	<b>3667215486</b>	5379265553
Less: Appropriation:-		
Transferred to Debentures Redemption Reserve	0	283000000
Dividend on Equity Shares	88608762	98303138
[Dividend per Share ₹ 1.80 on (Pre ₹ 2.00) ]		
Tax on dividend	18213793	20012207
	<b>106822555</b>	401315345
	<b>3560392931</b>	4977950208
<b>TOTAL</b>	<b>6980111451</b>	8399631063



# Notes Forming Part of Consolidated Accounts

as at 31/03/2019

[Amt. ₹]

Particulars	As At 31/03/2019	As At 31/03/2018
<b>NOTE - 15 NON CURRENT BORROWINGS</b>		
<b>SECURED:</b>		
<b>A) Term Loans:</b>		
(I) From Banks	410366479	704458316
(II) From Others - [NBFC]	4310062075	3445595293
	<b>4720428554</b>	4150053609
<b>B) Vehicle Loans:</b>		
(I) From Banks	<b>5275808</b>	0
<b>C) Debentures:</b>		
5567000 (Pre. Yr. 13300000) 12.50% Non Convertible		
Debentures of ₹ 100/- each	0	680000185
	<b>0</b>	680000185
<b>TOTAL</b>	<b>4725704362</b>	4830053794

[Refer note no. 37 for security details]

Maturity Profile of Secured Term Loans issue are as set out below:

Particulars	Current 2019-20	Non Current		
		2020-21	2021-22	2022-23 & Beyond
Term Loans from Banks	<b>303768923</b>	194464586	162325349	58852352
Term Loans from Others	<b>740251058</b>	1360847702	1376885081	1572329292
12.50% (Pre. Yr. 12.50%) Non Convertible Debentures [Rate of interest is variable]	<b>556706856</b>	0	0	0

Particulars	As At 31/03/2019	As At 31/03/2018
<b>NOTE - 16 OTHER NON CURRENT LIABILITIES</b>		
<b>Other Long Term Liabilities:-</b>		
Statutory liabilities	<b>146553220</b>	172025854
<b>TOTAL</b>	<b>146553220</b>	172025854

[Amt. ₹]

Particulars	As At 31/03/2019	As At 31/03/2018
<b>NOTE - 17 CURRENT BORROWINGS</b>		
<b>Secured:-</b>		
– From Bank : Cash Credit Facility From Banks	159657041	184484059
– From others	0	336816164
[Refer note no. 37 for security details]	<b>159657041</b>	521300223
<b>Unsecured &amp; Repayable on Demand:-</b>		
– Intercompany loan from Related party	293058	293058
– Intercompany loan from others	144306847	295608012
– From others	0	750000
	<b>144599905</b>	296651070
<b>TOTAL</b>	<b>304256946</b>	817951293

Note:- All unsecured loans are repayable on demand. As they are repayable on demand, they are shown as current borrowing.

**NOTE - 18 TRADE PAYABLES**

Micro, Small & Medium Enterprise	0	0
Others	<b>375243660</b>	409980750
<b>TOTAL</b>	<b>375243660</b>	409980750

[Refer note no. 31]

**NOTE - 19 OTHER CURRENT FINANCIAL LIABILITIES**

Current maturities of Secured long term debts	<b>1600726837</b>	1418988848
Unpaid/Unclaimed Dividends (Liability towards Investors Education and Protection Fund)	<b>4395625</b>	3448860
Customer Booking Refundable	<b>70466888</b>	171820398
<b>TOTAL</b>	<b>1675589350</b>	1594258106

**NOTE - 20 OTHER CURRENT LIABILITIES**

Other Payables *	<b>212029678</b>	186444243
Statutory Liabilities	<b>81026515</b>	17746055
Booking advance received from customers	<b>1534889649</b>	241218700
<b>TOTAL</b>	<b>1827945842</b>	445408998

\* Includes Retention money of Suppliers, Unpaid Expenses & credit balance of bank due to reconciliation.

**NOTE - 21 CURRENT TAX LIABILITIES [NET]**

Provision for Income Tax	50000000	325000000
Less:-		
Advance payment of Income Tax, TDS & WT	42640685	22133694
	<b>7359315</b>	302866306
<b>TOTAL</b>	<b>7359315</b>	302866306

# Notes Forming Part of Consolidated Accounts

as at 31/03/2019

[Amt. ₹]

Particulars	Year Ended 31/03/2019	Year Ended 31/03/2018
<b>NOTE - 22 REVENUE FROM OPERATIONS</b>		
Sales from construction related activities	<b>1891228110</b>	4760402536
Other Operating Income:-		
Project Management Services	<b>132558720</b>	0
Stock Transfer to Fixed Assets	<b>3181594</b>	0
Profit on Sale of Investment	<b>535092588</b>	105671341
Miscellaneous Income	<b>23289565</b>	64162768
Notional Corporate Guarantee Fees Income	<b>9557215</b>	6035507
Sundry Balances written off	<b>16060892</b>	65605589
<b>TOTAL</b>	<b>2610968684</b>	5001877741

[Refer note no. 40 for details]

<b>NOTE - 23 OTHER INCOME</b>		
Interest income:-		
– from Banks	10281780	13212685
– from Others	50806444	16113834
	<b>61088224</b>	29326519
Profit on sale of Fixed Assets	<b>0</b>	51247756
<b>TOTAL</b>	<b>61088224</b>	80574275

<b>NOTE - 24 PROJECT EXPENSES</b>		
Architect Fee	<b>360000</b>	4237288
Carting Exp.	<b>77380</b>	296216
Electric Exp.	<b>1060519</b>	1578383
Labour Exp.	<b>409104</b>	12067052
Land Exp.	<b>268390</b>	129976
Land Purchase	<b>0</b>	85784800
Machinery Rent	<b>149190</b>	419450
Professional Charges	<b>46440</b>	1885168
Raw Material Consumptions	<b>539266</b>	24536792
Repairs & Maintenance Exp.	<b>410742</b>	106783
Site Exp.	<b>89053</b>	788042
Site Office Exp.	<b>108082</b>	155527
Site Security Exp.	<b>689249</b>	753099
Works Contract Expenses	<b>13666724</b>	62933281
Township Project Construction Expenses	<b>38124588</b>	291939
Corporate park Project Construction Expenses	<b>582072</b>	16133704
Bungalows-Rajasthan Project Construction Expenses	<b>0</b>	379085
Residential & Commercial center Project construction Expenses	<b>643389536</b>	616579122
<b>TOTAL</b>	<b>699970335</b>	829055707

[Amt. ₹]

Particulars	Year Ended 31/03/2019	Year Ended 31/03/2018
<b>NOTE - 25 CHANGES IN INVENTORIES</b>		
CLOSING STOCK:-		
Stock of WIP & Finished Goods	<b>8130458538</b>	5352693163
	<b>8130458538</b>	5352693163
LESS: OPENING STOCK:-		
Stock of WIP & Finished Goods	<b>5071200461</b>	7191294952
Add: Adjustments relating to IND AS-115 - [Refer note no. 47]	<b>3932233186</b>	0
	<b>9003433647</b>	7191294952
(Increase)/Decrease in stock	<b>872975109</b>	1838601789
<b>TOTAL</b>	<b>872975109</b>	1838601789
<b>NOTE - 26 EMPLOYEE BENEFIT EXPENSES</b>		
Salary, Allowances & Bonus Expenses	<b>118909239</b>	112761493
Directors' Remuneration	<b>24000000</b>	24000000
Contribution to Provident Fund & ESIC	<b>1649829</b>	1830184
Contribution to Gratuity Fund	<b>4002885</b>	12657889
Staff Welfare Expenses	<b>4785471</b>	4714461
Director's Medical Exp.	<b>0</b>	523304
<b>TOTAL</b>	<b>153347424</b>	156487331
<b>NOTE - 27 FINANCE COST</b>		
Bank Charges	57619	229416
Loan Processing Charges	8500000	16863785
Amortisation of finance cost as per EIR method	15642702	6616930
	<b>24200321</b>	23710131
Interest to:-		
– Banks	137542736	87972693
– Others	748362210	880266569
– Late payment of taxes	6684363	12703951
Finance Charges	673692	546728
	<b>893263001</b>	981489941
<b>TOTAL</b>	<b>917463322</b>	1005200072
<b>NOTE - 28 OTHER EXPENSES</b>		
ADMINISTRATIVE & OTHER EXPENSES:-		
Appeal Fees	500	8500
Advertisement Exp	1566442	3053211
Audit Fees	201000	1531000
Miscellaneous Exp.	37815	53550
Computer Consumable	612216	728456
Conveyance Expenses	300317	251170
C.S.R. Expenses	18074195	19463256

# Notes Forming Part of Consolidated Accounts

as at 31/03/2019

[Amt. ₹]

Particulars	Year Ended 31/03/2019	Year Ended 31/03/2018
<b>NOTE - 28 OTHER EXPENSES (Contd.)</b>		
Postage & Courier Charges	331214	322157
Depository & Share Transfer Agent Exp.	702320	586396
Donation	301000	291250
Electric Expenses	4858604	4650426
Filing Fees	49182	74608
GST Expenses	26645575	8062999
Insurance Expenses	500487	480007
Internet & Website Expenses	562113	879640
Legal Expenses	2138479	11383296
Loss on sale of Fixed assets	11981	5307
Mobile Phone Exp.	741713	741483
Motor-Car Exp.	4855241	4252977
Municipal Tax	3007882	2621324
Office & Office Maintenance Expenses	4066395	4863809
Penalty	502000	445740
Professional Fees	27503200	34149393
Professional Tax	4800	11600
Rent & Maintenance Exp.	1133283	690508
Repair & Maintenance Expenses	5776942	5395532
Security Service Charges	3691002	3363949
Service Tax, SBC & KKC Exp.	1957932	14949427
Site Maintenance Expenses	9839517	40367885
Sitting Fees - Directors	159000	165683
Stationery, Printing, Typing & Xerox Expenses	1376656	1337969
Sundry balances written off	205234	947527
Telephone Exp.	371999	356683
Travelling Exp.	4282050	6777111
VAT Expenses	0	3977792
	<b>126368286</b>	177241621
<b>MARKETING EXPENSES:-</b>		
Advertisement Expenses	25949397	14957965
Brochure Exp.	1031600	685910
Brokerage Exp.	14358831	25849177
Sales Promotion Exp	5379547	8606846
Sponsorship Charges	2812500	150000
Trademark Registration Expenses	0	27000
	<b>49531875</b>	50276898
<b>TOTAL</b>	<b>175900161</b>	227518519

## 29. SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS:

### 1.1 NATURE OF OPERATION:

The parent company is engaged in the business of construction of Residential, commercial and infrastructure projects.

### 1.2 BASIS OF PREPARATION:

The consolidated financial statements relate to Ganesh Housing Corporation limited, and its subsidiaries namely Gatil Properties Private Limited & Essem Infra Private Limited. These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as specified under section 133 of the Companies Act 2013 read together with the Rules notified there under to the extent applicable and the other relevant provisions of the Act, pronouncements of the regulatory bodies applicable to the company.

These consolidated financial statements have been prepared on going concern and accrual basis.

These consolidated financial statements of the group for the year ended March 31, 2019 were approved by the Board of Directors on 30/05/2019.

### 1.3. PRINCIPLES OF CONSOLIDATION:

The Consolidated Financial Statements have been prepared on the following basis:

Subsidiaries are all entities (including special purpose entities) that are controlled by the Company. Control exists when the Company is exposed to, or has rights, to variable returns from its involvement with the entity, and has the ability to affect those returns through power over the entity. The net assets and results of acquired businesses are included in the consolidated financial statements from their respective dates of acquisition, being the date on which the Group obtains control. The results of disposed businesses are included in the consolidated financial statements up to their date of disposal, being the date control ceases. The group combines the financial statements of the parent and its subsidiaries line by line

adding together like items of assets, liabilities, equity, income and expenses. Inter Company transactions, balances and unrealised gains on transactions between group companies are eliminated. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The excess of cost to the Group of its investment in subsidiaries, on the acquisition dates over and above the Group's share of equity in the subsidiaries, is recognised as 'Goodwill on Consolidation' being an asset in the consolidated financial statements. The said Goodwill is not amortised, however, it is tested for impairment at each Balance Sheet date and the impairment loss, if any, is provided for. On the other hand, where the share of equity in subsidiaries as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus' in the consolidated financial statements.

**Non-controlling interests** in the net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separately within equity. Non-controlling interests in the net assets of consolidated subsidiaries consists of:

- (a) The amount of equity attributable to non-controlling interests at the date on which investment in a subsidiary is made; and
- (b) The non-controlling interests share of movements in equity since the date parent subsidiary relationship came into existence.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.



# Notes Forming Part of Consolidated Accounts

as at 31/03/2019

List of the Domestic Subsidiaries considered for consolidation.

Sr No	Name Of Company	Nature of Relationship	Country of Incorporation	Extent of Holding/ Voting Power (%) as on March 31, 2019.
1.	Gatil Properties Private Limited	Subsidiary	India	69.10%
2.	Essem Infra Private Limited	Subsidiary	India	100%

During the year under review, one subsidiary viz. Maheshwari (Thaltej) Complex Private Limited ceased to be subsidiary of the Company w.e.f. 29th June, 2018. The consolidated statement of profit & loss of F.Y. 2018-19 includes profit or loss of ceased subsidiary up to the date of cessation.

## 1.4. OTHER SIGNIFICANT ACCOUNTING POLICIES:

These are set out under "Significant Accounting Policies" as given in the Company's separate financial statements.

30. Corresponding figures of the previous year have been regrouped to confirm with this year's classification wherever necessary. Closing Balance of previous year is not becoming opening balance of current year, as during the year one Company ceased to be subsidiary of company.
31. Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006\*.

[Amt. ₹]

Sr. No.	Particulars	2018-2019	2017-2018
A	The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:		
	Principal amount due to micro and small enterprises (Not overdue)	NIL	NIL
	Interest due on above	NIL	NIL
B	The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	NIL	NIL
C	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	NIL	NIL
D	The amount of interest accrued and remaining unpaid at the end of each accounting year.	NIL	NIL
E	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of Micro, Small and Medium Enterprises Development Act, 2006.	NIL	NIL

\* This information has been determined to the extent such parties have been identified on the basis intimation received from the "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development by the management.

**32. EARNINGS PER SHARE:**

Sr. No.	Particulars	2018-2019	2017-2018
A	<b>Basic &amp; Diluted EPS (Amt. ₹) From Continuing Operations attributable to equity share holders</b>		
	– Basic	5.40	10.36
	– Diluted	5.40	10.36
B	<b>Reconciliation of earnings used in calculation of Basic &amp; Diluted EPS</b>		
	Profit attributable to equity shareholders used in calculation of Basic EPS from continuing operations	265584392	508690356
C	<b>Weighted Average number of shares as denominator</b>		
	Weighted average number of shares used in calculation of Basic EPS	49227090	49121038
	Weighted average number of equity shares and potential equity shares used as denominator in calculation of Diluted EPS	49227090	49121038

**33. FINANCIAL INSTRUMENT BY CATEGORY:**

[Amt. ₹]

Particulars	2018-2019			2017-2018		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial Assets</b>						
– Investment	0	0	0	0	0	100100
– Loans	0	0	4343404410	0	0	4836717243
– Trade Receivable	0	0	1063790867	0	0	4850271972
– Cash & cash equivalents	0	0	99619998	0	0	143160901
– Other bank balances	0	0	331900396	0	0	317199881
– Other Financial Assets	0	0	231475375	0	0	408632206
<b>Financial Liabilities</b>						
– Borrowings	0	0	5029961308	0	0	5648005087
– Trade Payables	0	0	375243660	0	0	409980750
– Other Financial liabilities	0	0	1675589350	0	0	1594258106

\* Since all the financial Assets and Financial liabilities are measured at amortised cost, disclosure of fair value hierarchy is not being made.

# Notes Forming Part of Consolidated Accounts

as at 31/03/2019

## 34. FAIR VALUE OF FINANCIAL ASSETS & LIABILITIES MEASURED AT AMORTIZED COST:

[Amt. ₹]

Particulars	2018-2019		2017-2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets:</b>				
Investment	0	0	100100	100100
Loans	4343404410	4343404410	4836717243	4836717243
Trade Receivable	1063790867	1063790867	4850271972	4850271972
Cash & cash equivalents	99619998	99619998	143160901	143160901
Other bank balances	331900396	331900396	317199881	317199881
Other Financial Assets	231475375	231475375	408632206	408632206
<b>Financial Liabilities:</b>				
Borrowings	5029961308	5029961308	5648005087	5648005087
Trade Payables	375243660	375243660	409980750	409980750
Other financial liabilities	1675589350	1675589350	1594258106	1594258106

- A.** The carrying amounts of trade receivables, trade payables, current loans, capital creditors and cash & cash equivalents, other financial liabilities are considered to be the same as their fair values, due to their short-term nature.
- B.** The fair values of non-current borrowings and non current Loans are same as their amortised cost since the borrowings are interest bearing at the prevalent market rate.

## 35. FINANCIAL RISK MANAGEMENT:-

The Company's activities expose it to market risk, liquidity risk and credit risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure	Measurement	Management
Credit Risk	Financial Assets measured at amortised cost	– Ageing Analysis – Credit Ratings	Diversification, Credit Limits
Liquidity Risk	Borrowing and other liabilities	Rolling Cash flow forecasts	Availability of committed borrowing facilities
Market Risk – Interest Rates	Variable Rate Borrowings	Sensitivity Analysis	Conversion of loan from higher interest rate to lower interest rate

### Credit Risk Management

Credit risk is managed on a company basis. For banks and financial institutions, only high rated banks/institutions are accepted.

For other financial assets, the company assesses and manages credit risk based on internal credit rating system. The finance function consists of a separate team who assess and maintain an internal credit rating system. Internal credit rating is performed on a company basis for each class of financial instruments with different characteristics.

### Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the company in accordance with practice and limits set by the company. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

### Financing Arrangements:

[Amt. ₹]

Particulars	2018-2019	2017-2018
Floating Rate:		
Expiring within 1 year	1760383878	1603472907
Expiring beyond 1 year	4715758370	4829689324

### Maturities of financial liabilities (except current maturity of long term debts) as on 31.03.2019

[Amt. ₹]

Financial Liabilities	2018-19			2017-18		
	< 3 month	3 to 12 month	Total	< 3 month	3 to 12 month	Total
<b>Non Derivative</b>						
Unclaimed Dividend	0	4395625	4395625	3448860	0	3448860
Customer bookings refundable	0	70466888	70466888	0	171820398	171820398
Trade Payable	375243660	0	375243660	409980750	0	409980750

### Market Risk Management

#### Cash flow and fair value interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Company manages its cash flow interest rate risk by converting higher rate interest loan to lower rate interest loan.

#### Interest rate risk exposure

[Amt. ₹]

Particulars	2018-2019	2017-2018
Variable Rate Borrowings	6476142248	6433162231
Fixed Rate Borrowings	154545897	633831704

# Notes Forming Part of Consolidated Accounts

as at 31/03/2019

At the end of reporting period the Company had the following variable rate borrowings.

[Amt. ₹]

Particulars	2018-2019			2017-2018		
	Average Interest Rate %	Balance	% of Total Loan	Average Interest Rate %	Balance	% of Total Loan
Cash credit From Bank	12.75%	159657041	2.41	12.75%	184484059	2.61
Term Loan From NBFCs & Banks	13.11%	5759778351	86.87	13.21%	4918677987	69.60
Debentures	12.50%	556706856	8.40	12.50%	1330000185	18.82
Net Exposure		6476142248	97.67		6433162231	91.03

## Sensitivity Analysis

[Amt. ₹]

Particulars	Impact on PBT		Impact on other Components of Equity	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Interest Rate increase by 50 basis points	(33973311)	(37118752)	0	0

## Price Risk

The Company's exposure to equity securities price risk does not arise since company has measured investments at amortised cost.

## 36. CAPITAL MANAGEMENT:

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns to shareholders and benefits to other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

### Net debt (total borrowings net of cash and cash equivalents & Other Bank Balances) divided by Total 'equity'

[Amt. ₹]

Particulars	2018-2019	2017-2018
Net Debt	6199167751	6606633153
Total Equity	7472382351	8891901963
Debt Equity Ratio	0.83	0.74

## Dividends recognized as distributed to owners:

[Amt. ₹]

Particulars	2018-2019	2017-2018
Final Dividend	88608762	98303138
Tax on Dividend	18213793	20012207

**37. INFORMATION CONCERNING CLASSIFICATION OF SECURITIES:****Assets Mortgaged as security**

[Amt. ₹]

Particulars	2018-2019	2017-2018
<b>Current:</b>		
Financial Asset:		
– First Charge	0	0
– Floating Charge	73264456	3868458724
Non-Financial Asset:		
– First Charge	0	0
– Floating Charge	6492670498	3487501204
<b>Non-Current:</b>		
– First Charge	217489830	184217564
<b>Total assets mortgaged as security</b>	<b>6783424784</b>	<b>7540177492</b>

**The details of security offered for the secured loans taken are as follows:****A. Loan from AU Small Finance Bank:**

Charge secured by mortgage of immovable property and interest thereon of the group company and personal guarantee of promoter directors of the company.

**B. Loan from Tamilnad Mercantile Bank Ltd.:**

Charge secured by mortgage of immovable property and interest thereon of the company and group company and personal guarantee of two promoter directors of the company & corporate guarantee of group company.

**C. Loan from Karur Vysya Bank:**

Charge secured by mortgage of immovable property and interest thereon of the group company and personal guarantee of promoter directors of the company & corporate guarantee of group company.

**D. Loan from Axis Finance Ltd.:**

Charge secured by mortgage of immovable property and interest thereon of the company & group company of the company and personal guarantee of two promoter directors of the company & corporate guarantee of group company.

**E. Loan from IFCI Factors Ltd.:**

Charge secured by mortgage of immovable property and interest thereon of the group company, pledge of shares of promoters, maintenance of F.D. with lien and personal guarantee of promoter directors of the company & corporate guarantee of group companies.

**F. Loan from PHL Fininvest Pvt. Ltd.:**

Charge secured by mortgage of immovable property and interest thereon of the company and group company, hypothecation of receivables, outstanding moneys and claims, all rights, titles, interest, claims, benefits, demands and escrow account of two units of project of group company and corporate guarantee of the group company and personal guarantee of two promoter directors of the company.

**G. Loan from SREI Equipment Finance Ltd.:**

Charge secured by mortgage of immovable property of the promoter directors of the company and hypothecation of equipments of the company & personal guarantee of two promoter directors of the company.

**H. Loan from PNB Housing Finance Ltd:**

Charge secured by mortgage of immovable property and interest thereon, maintenance of F.D. with lien and hypothecation of receivables, book debts, outstanding moneys and claims, escrow accounts of project, etc of the company and its group company and personal guarantee of two promoter directors of the company & pledge of shares of group company.

# Notes Forming Part of Consolidated Accounts

as at 31/03/2019

**I. Loan from Venus India Asset Finance Pvt. Ltd.:**

Charge secured by mortgage of immovable property and interest thereon of the company and personal guarantee of two promoter directors of the company.

**J. Loan from Yes Bank Ltd.:**

Charge secured by hypothecation of stocks of construction material and advances made for their purchases and equitable mortgage of land owned by company and personal guarantee of two promoter directors of the company.

**K. Piramal Capital & Housing Finance Limited:**

Charge secured by mortgage of immovable property and interest thereon, maintenance of F.D. with lien and hypothecation of receivables, book debts, outstanding moneys and claims, escrow accounts of projects, etc of the subsidiary company and company, pledge of shares of promoter of the subsidiary company, personal guarantee of promoter directors of the subsidiary company and corporate guarantee / security of company. The trustee for the said NCD & Loan is IDBI Trusteeship Services Limited in whose name the necessary charge is created.

**L. Loans in respect of Vehicles are secured by the hypothecation of the vehicles financed through the loan agreement. viz. Motor Cars.****38. INCOME TAXES:**

[Amt. ₹]

Particulars	2018-2019	2017-2018
Current Tax	69993830	514669965
Deferred Tax	(505681386)	(22884567)
<b>Total Income Tax Expenses</b>	<b>(435687556)</b>	491785398

**Reconciliation of tax expenses and the accounting profit multiplied by Tax Rate**

[Amt. ₹]

Particulars	2018-2019	2017-2018
Profit Before Tax	(170220637)	999773423
Statutory Tax Rate (%)	29.12%	34.61%
<b>Tax at statutory tax rate</b>	<b>(49568249)</b>	346021582
Tax effects of amounts which are not deductible in calculating taxable income due to adjustments as per income tax act, Tax effects of change in deferred tax rate & Tax effects of difference between current tax rate and deferred tax rate	(386119307)	145763816
<b>Income Tax Expense</b>	<b>(435687556)</b>	491785398

**Current Tax Asset/(Liability)**

[Amt. ₹]

Particulars	2018-2019	2017-2018
Income Tax asset at the beginning of the reporting period	0	0
Income Tax liability at the beginning of the reporting period	302866306	359614867
Increase in liability as per income tax adjustment	78772079	120821184
Income Tax paid	381638385	480436051
Income Tax Refund	0	0
Current income tax payable for the year	435687556	(491785398)
<b>Income Tax Asset at the end of the period</b>	<b>0</b>	0
<b>Income Tax Liability at the end of the period</b>	<b>7359315</b>	302866306



**Deferred Tax Assets/(Liabilities)**

[Amt. ₹]

Particulars	2018-2019	2017-2018
The balances comprises temporary differences attributable to :	<b>7797764</b>	3763727
<b>Deferred Tax Assets</b>		
Disallowances under the Income Tax Act, 1961	<b>495121647</b>	1464385
Related to Fixed Assets	<b>568907</b>	281658
<b>Deferred Tax Liabilities</b>		
Disallowances under the Income Tax Act, 1961	<b>(2275834)</b>	1240395
Related to Fixed Assets	<b>0</b>	(3528389)
<b>Net Deferred Tax Asset/(liability)</b>	<b>505764152</b>	7797764

**MOVEMENT IN DEFERRED TAX****For the year ended on March 31, 2018**

Particulars	As at April 1, 2017	Credit/ (charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at March 31, 2018
<b>Deferred tax assets/(liabilities)</b>				
Disallowances under the Income Tax Act, 1961	6887739	621752		7509491
Related to Fixed Assets	(3124012)	3412285		288273
<b>TOTAL</b>	3763727	4034037	0	7797764

**For the year ended on March 31, 2019**

Particulars	As at March 31, 2018	Credit/ (charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at March 31, 2019
<b>Deferred tax assets/(liabilities)</b>				
Disallowances under the Income Tax Act, 1961	<b>7509491</b>	<b>497397481</b>		<b>504906972</b>
Related to Fixed Assets	<b>288273</b>	<b>568907</b>		<b>857180</b>
<b>TOTAL</b>	<b>7797764</b>	<b>497966388</b>	<b>0</b>	<b>505764152</b>

**39. SEGMENT INFORMATION:**

In line with Ind AS 108 operating segments and basis of the review of operations being done by the senior management, the operations of the group falls under **real estate** business which is considered to be the **only reportable segment** by the management.

**1. Information about Products and Services:**

[Amt. ₹]

Product/Service	Revenue from the product	
	2018-2019	2017-2018
<b>Real Estate Promotion &amp; Development</b>	<b>2610968684</b>	<b>5001877741</b>

# Notes Forming Part of Consolidated Accounts

as at 31/03/2019

## 2. Information about Geographical Areas:

[Amt. ₹]

Geographical Information	Within India	
	2018-2019	2017-2018
Revenues	2610968684	5001877741
Non Current Assets	3001344551	2963900059

## 3. Information about Major Customers:

Revenue from transactions with a single customer does not amount to 10 percent or more of entity's revenues with any customer.

## 40. REVENUE FROM CONTRACTS WITH CUSTOMERS:

### Disaggregated Revenue Information:

[Amt. ₹]

Particulars	Revenue from the product	
	2018-2019	2017-2018
<b>Types of Product/Service</b>		
Real Estate Promotion & Development	2610968684	5001877741
<b>Geographical Disaggregation:</b>		
Revenues within India	2610968684	5001877741
<b>Timing of revenue recognition wise</b>		
– At a point in time	2610968684	5001877741
– Over the period of time	0	0

### Contract balances:

The following table provides information about receivables, contracts assets and contract liabilities from contracts with customers:

[Amt. ₹]

Particulars	2018-2019	2017-2018
<b>Contract assets</b>		
Trade Receivables	1063790867	4850271972
<b>Contract liabilities</b>		
Booking advance received from customers	1534889649	241218700
Customer Booking Refundable	70466888	171820398

### Revenue recognised in relation to contract liabilities

[Amt. ₹]

Particulars	Contract liabilities	
	2018-2019	2017-2018
Revenue recognised that was included in the contract liability balance at the beginning of the period	118769511	60581158

**41. RELATED PARTY TRANSACTIONS:****Other Related Parties**

Starnet Software (I) Limited	Matang Properties Pvt. Ltd.
Ganesh Infrastructure (I) Private Limited	Madhumati Realty Pvt. Ltd
Maple Brandmark Pvt. Ltd.	Ganeshsagar Infrastructure Pvt. Ltd
A.Mody Construction Co.	Madhuj Realty Pvt. Ltd
Monsoon India Infrastructure Direct II Ltd.	Sujan Developers Pvt. Ltd
Yash Organiser Pvt. Ltd.	Shaily Infrastructure Pvt. Ltd.
Mukur Real Estate Pvt. Ltd.	Medhbhuti Complex Pvt. Ltd
Mahavir (Thaltej) Complex Pvt Ltd	Tarang Realty Private Limited
Martand Estate Pvt Ltd.	Gujarat Institute Of Housing & Estate Developers – GIHED
Bharat Patel	Ashish Modi
Tarang Desai	Monsoon India Infrastructure Direct II Ltd.

**Key Managerial Personnel**

Shri Shekhar G. Patel
Shri Dipakkumar G. Patel

**Relative of Key Management Personnel**

Smt Sapnaben D. Patel
Smt Archanaben S. Patel
Late Smt. Lalitaben G. Patel
Mr. Anmol D. Patel
Ms. Aneri D. Patel

**Key Managerial Personnel Compensation**

[Amt. ₹]

Particulars	2018-2019	2017-2018
Short term employee benefits	24000000	24000000

(Related parties as identified by the company and relied upon by the auditors)

Nature of transactions with related parties and aggregate amount of such transactions for each class of related party balance outstanding as on 31/03/2019:-

[Amt. ₹]

Particulars	2018-2019		2017-2018	
	Other Related Parties	Key Managerial Person	Other Related Parties	Key Managerial Person
<b>Business Advances</b>				
Shaily Infrastructure Pvt. Ltd.	119557803		188495639	
Yash Organiser Pvt. Ltd.			34040420	
Maheshwari (Thaltej) Complex Pvt. Ltd.	3933612			
Mahavir (Thaltej) Complex Pvt. Ltd.	1510000			
<b>Short Term Loan Taken</b>				
Mukur Real Estate Pvt. Ltd.	293058		293058	
<b>Advances For Purchase Of Land</b>				
Dipakkumar G. Patel		1501670		1501670
Lalitaben G. Patel	592385		592385	

# Notes Forming Part of Consolidated Accounts

as at 31/03/2019

[Amt. ₹]

Particulars	2018-2019		2017-2018	
	Other Related Parties	Key Managerial Person	Other Related Parties	Key Managerial Person
Archnaben S. Patel	2044112		2044112	
Starnet Software (India) Ltd.	1949607667		1937667667	
<b>Investment In Equity Of Other Company</b>				
Starnet Software (India) Ltd.			100	
Ganesh Infrastructure (India) Pvt Ltd.			100000	
<b>ADVANCE PAID FOR PURCHASE OF INVESTMENTS :</b>				
Monsoon India Infrastructure Direct II Ltd.	199930737		199930737	
<b>Trade Receivables</b>				
Starnet Software (India) Ltd.	104395625		103113510	
Shaily Infrastructure Pvt. Ltd.	33573576			
<b>Reimbursement Of Expenses</b>				
Shaily Infrastructure Pvt Ltd	212161		155401	
Madhuj Realty Pvt Ltd	109619		109619	
Madhumati Realty Pvt Ltd	26140		26140	
Martand Estate Pvt Ltd.	4139		4139	
Matang Properties Pvt Ltd.	4139		4139	
Medhbhuti Complex Pvt Ltd	208749		208749	
Ganeshsagar Infrastructure Pvt Ltd			31171016	
Sujan Developers Pvt. Ltd.	233330		233330	
Maple Brandmark Pvt. Ltd.	18000			
<b>Trade Payables</b>				
Ashish Modi – Siting Fees		23850		49500
Bharat J Patel – Siting Fees		9000		27450
Tarang M Desai – Siting Fees		25830		47250
Aneri D Patel – Siting Fees		10980		27450
Aneri D. Patel – Unpaid Salary			154300	
Shekhar G. Patel		42453475		42882400
Dipakkumar G. Patel		42453475		42882400
Shekhar G. Patel – Unpaid Remuneration		655197		594588
Dipakkumar G. Patel - Unpaid Remuneration		654605		587552
Anmol Dipakkumar Patel Unpaid Salary	152674		195948	
A.Mody Construction Co. – For Labour & Work Contract Exp.		707190		34784
Gujarat Institute of Housing & Estate Developers – Credai	2349000		481944	
<b>Advance From Customers</b>				
Tarang Realty Private Limited			1248749	
Tarang M Desai	326200			
<b>Remuneration To Directors</b>				
Dipakkumar G. Patel		12000000		12000000
Shekhar G. Patel		12000000		12000000

[Amt. ₹]

Particulars	2018-2019		2017-2018	
	Other Related Parties	Key Managerial Person	Other Related Parties	Key Managerial Person
<b>Income</b>				
Starnet Software (India) Ltd -Profit On Waiver Of Land Right			330000000	
Shaily Infrastructure Pvt. Ltd. - Interest Income	<b>33573576</b>			
<b>Expenses</b>				
Salary To Anmol D. Patel	<b>2400000</b>		400000	
Director's Medical Exp				523304
Sitting Fee		<b>159000</b>		165683
Director's Travelling Exp.		<b>983626</b>		3401887
Purchase Of Land				85784800
Salary To Aneri D. Patel			2400000	
Labour & Work Contract Exp. To A. Mody Construction Co.		<b>5347561</b>	6491774	

**42. EMPLOYEE BENEFITS:****Defined Contribution Plan**

[Amt. ₹]

Particulars	2018-2019	2017-2018
Employer's contribution to Provident Funds	<b>1350468</b>	1426991
Employer's contribution to ESIC	<b>299361</b>	403193
Employer's contribution to Gratuity Fund	<b>4002885</b>	12657889

**43. THE DETAILS OF BUSINESS ADVANCES & LOANS GIVEN FOR BUSINESS PURPOSES ARE AS FOLLOWS:**

[Amt. ₹]

	Balance as on 31/03/2019	Balance as on 31/03/2018
<b>A: Non Current Assets Financial Assets – Loan</b>		
<b>Business Advances given to others:</b>		
Ganesh Plantations Limited	<b>0</b>	15042325
Noopur Construction	<b>7500000</b>	7500000
Nisha Construction	<b>7500000</b>	7500000
Shreekala Infrastructure Pvt. Ltd.	<b>0</b>	255991261
Shaligram Investments Pvt. Ltd.	<b>0</b>	3413000
Siddhivinayak Securities Pvt. Ltd.	<b>0</b>	3300000
Treetop Entertainment LLP	<b>0</b>	19729984
<b>TOTAL</b>	<b>15000000</b>	312476570
<b>B: Current Assets Financial Assets – Loan</b>		
<b>Business Advances to Other Related Companies:</b>		
Maheshwari (Thaltej) Complex Private Limited	<b>3933612</b>	0
Shaily Infrastructure Private Limited	<b>119557803</b>	188495639
Mahavir (Thaltej) Complex Private Limited	<b>1510000</b>	0
Yash Organiser Private Limited	<b>0</b>	34040420
<b>TOTAL</b>	<b>125001415</b>	222536059

# Notes Forming Part of Consolidated Accounts

as at 31/03/2019

[Amt. ₹]

	Balance as on 31/03/2019	Balance as on 31/03/2018
<b>Business Advances given to others:</b>		
Shangrila Funworld Pvt Ltd	693764878	693764878
Yash Organiser Private Limited	38685646	0
Mahalaxmi Co. Op. Housing Society Limited	569366	0
Madhughosh Ventures LLP	0	97914556
Alkaben V. Matadar	0	4363125
Mehulbhai Ureshbhai	0	8975000
Prerna Arcade Pvt. Ltd	42537970	42537970
Rajnikant Kanubhai Patel	37500000	37500000
Redrose Tradelink P. Ltd	26075273	26075273
Rich Arcade P. Ltd	64312695	64312695
Royal Arcade Pvt. Ltd	23098150	23098150
Samirbhai C. Patel	87262	8726250
Sandip Kanubhai Patel	32750000	32750000
Ureshbhai Jayantibhai	0	12975000
Vaghela Priyanka Rajendrasinh	5230000	5230000
Vinodbhai P. Matadar	0	4363125
Madhughosh Ventures LLP	95456640	96206640
Ganesh Plantations Limited	1084047445	1084131268
The Maple Trade Centre co. op. Hou. Ser. Soc. Ltd.	3712	0
The Maple Tree Shop co. op. Hou. Ser. Soc. Ltd.	2550	0
Gavendu Land Developers Private Limited	53219	0
J.P. Fincorp Services Private Limited	5000000	5000000
<b>TOTAL</b>	<b>2149174806</b>	<b>2247923930</b>

## 44. ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013 FOR CONSOLIDATED FINANCIAL STATEMENTS:

### GANESH HOUSING CORPORATION LIMITED

Additional information as required under schedule III to the Companies Act, 2013  
of Company consolidated as Subsidiary

Sr. No.	Name Of The Company	Net Assets i.e. Total Assets Minus Total Liabilities		Share In Profit or Loss	
		As % Of Consolidated Net Assets	[Amt. ₹]	As % Of Consolidated Profit / Loss	[Amt. ₹]
<b>A</b>	<b>Parent – Indian</b>				
	Ganesh Housing Corporation Limited	102.69	7673397815	42.11	111849983
<b>B</b>	<b>Subsidiaries – Indian</b>				
1	Essem Infrastructure Private Limited	(5.23)	(390823623)	57.98	153997105
2	Gatil Properties Private Limited	40.14	2999168611	(0.14)	(380169)
3	Maheshwari (Thaltej) Complex Private Limited	12.40	926743104	(0.04)	(117472)
<b>C</b>	<b>Non Controlling Interests in all Subsidiaries - Indian</b>				
1	Gatil Properties Private Limited	102.69	7673397815	42.11	111849983

**45. As per the first provision to sub-section 3 of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014 statement in form AOC – I regarding details of subsidiaries companies are given below:**

**GANESH HOUSING CORPORATION LIMITED**

Salient features of financial statements of subsidiary as per Companies Act, 2013

[Amt. ₹]

Sr. No.	Name of the Subsidiary Company	Essem Infra Private Limited	Gatil Properties Private Limited
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01/04/2018 to 31/03/2019	01/04/2018 to 31/03/2019
2	Reporting Currency	INR	INR
3	Exchange Rate	1	1
4	Paid up Capital	150000	129590830
5	Reserves	(390973623)	2869577781
6	Total Assets	7421119392	3028990048
7	Total Liabilities	7811943015	29821437
8	Investments	NIL	NIL
9	Turnover/Total Income	1853032828	1098497
10	Profit/(Loss) Before Taxation	(347702369)	(26260)
11	Provision for Taxation (Net)	501699474	(353909)
12	Profit/(Loss) After Taxation	153997105	(380169)
13	Proposed dividend	NIL	NIL
14	Percentage of Shareholding	100.00	69.10

1. Name of subsidiaries which are yet to commence operations: None
2. Name of subsidiaries which have been liquidated or sold during the year:-

During the year under review, one subsidiary viz. Maheshwari (Thaltej) Complex Private Limited ceased to be subsidiary of the Company w.e.f. 29th June, 2018. The consolidated statement of profit & loss of F.Y. 2018-19 includes profit or loss of ceased subsidiary up to the date of cessation..

**46. CONTINGENT LIABILITIES:**

- A. For the Asst. Year 2010-11 the Income-tax Department has reopened the case of the company u/s.147 of the I.T. Act, 1961 and has passed the order u/s.143(3) r.w.s.147 of the Act and has raised the demand of ₹ 13,03,34,350/-. The company has filed an application u/s.264 of the I.T. Act, 1961 for Revision of the Order rendered u/s.143(3) r.w.s.147 of the I.T. Act, 1961 vide application filed before the Pr. Commissioner of Income-tax-2, Ahmedabad for setting aside the order for denovo fresh assessment as the Assessing Officer has not granted proper opportunity of hearing to the company. The said application is allowed by Pr.CIT-2, Ahmedabad for denovo assessment and the said assessment is pending.
- B. For the Asst. Year 2011-12 the Income-tax Department has reopened the case of the company u/s.147 of the I.T. Act, 1961 and has passed the order u/s.143(3) r.w.s.147 of the Act and has raised the demand of ₹ 18,50,54,140/-. The company has filed an application u/s.264 of the I.T. Act, 1961 for Revision of the Order rendered u/s.143(3) r.w.s.147 of the I.T. Act, 1961 vide application filed before the Pr. Commissioner of Income-tax-2, Ahmedabad for setting aside the order for denovo fresh assessment as the Assessing Officer has not granted proper opportunity of hearing to the company. The said application is allowed by Pr.CIT-2, Ahmedabad for denovo assessment and the said assessment is pending.
- C. For the Asst. Year 2015-16 the assessee was under scrutiny assessment under the Income-tax Act 1961 and the A.O. has passed the order u/s.143(3) of the Act and has raised the demand of ₹ 24,29,69,200/-. The company has filed an application u/s.264 of the I.T. Act, 1961, for Revision of the order rendered u/s.143(3) of the Act for A.Y. 2015-16, filed before Pr. Commissioner of Income-tax-2, Ahmedabad for setting aside the order for denovo fresh assessment as the Assessing Officer has not granted proper opportunity of hearing to the company. The said application is allowed by Pr.CIT-2, Ahmedabad for denovo fresh assessment and the said assessment is pending.



# Notes Forming Part of Consolidated Accounts

as at 31/03/2019

- D. The Company has given security & guarantee for Non Convertible Debentures issued by Essem Infra Private Limited to the tune of ₹ 225.00 crores & term loan of ₹ 225.00 crores taken by Essem Infra Private Limited. The trustees for the said NCD & term loan are IDBI Trusteeship Services Limited in whose favour the guarantee is given. The outstanding balance of NCD as on 31st March, 2019 is ₹ 55.67 crores & for term loan ₹ 224.99 crores.
- E. There are several cases being for at various statutes level pertaining to taxation both direct & indirect, where the company has won the matter at lower level statutes and the concerned department has preferred an appeal.
- F. There are several cases filed by the company and against the company pertains to land disputes which are being fought at various statutes level.

## 47. CHANGES IN ACCOUNTING POLICIES:

- A. This note explains the impact of adoption of Ind AS 115 Revenue from Contract with Customers on Financial Statements. The company applied Ind AS 115 for first time by using modified retrospective method of adoption with the date of initial application of 1st April 2018. Under this method company recognised cumulative impact in the opening balance of retained earnings as at 1st April 2018. Comparative prior period has not been adjusted.
- The company had not any contracts which were not completed on the initial application date of Ind AS 115. Hence, the impact on retained earnings on the initial application of Ind AS 115 is ₹ Nil.
- B. Subsidiary company Essem Infra Pvt. Ltd. has applied Ind AS 115 on the contracts which were not completed on the initial application date of Ind AS 115.

The impact on retained earnings on the initial application of Ind AS 115 is as follows:

Particulars	1st April 2018
Retained Earnings	227529742
Adjustment because of adoption of Ind AS 115	(1105500470)
<b>Retained Earnings (After adjustment)</b>	<b>(877970728)</b>

Following table presents the changes in each financial statement line item due to adoption of Ind AS 115 for first time on 1st April 2018

Particulars	Balance before adjustment of Ind AS 115	Increase/ (Decrease)	Balance After adjustment of Ind AS 115
Trade Receivables	3251614021	(3251614021)	0
Advance From Customers	206731422	1786119625	1992851047
Inventories	3447703454	3932233186	7379936640

As per our Report of even date  
For **PURNESH R. MEHTA & CO.**  
Chartered Accountants  
FRN: 142830W

**Purnesh Mehta**  
Proprietor  
Membership No. 032812

Place: Ahmedabad  
Date: 30/05/2019

On behalf of the Board of Directors

**Dipakkumar G. Patel**  
Chairman & Whole-time Director  
[DIN: 00004766]

**Rajendra Shah**  
Chief Financial Officer

Place: Ahmedabad  
Date: 30/05/2019

**Shekhar G. Patel**  
Managing Director  
[DIN: 00005091]

**Priti Kapadia**  
Company Secretary

# Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

## GANESH HOUSING CORPORATION LIMITED

(CIN: L45200GJ1991PLC015817)

Registered Office: Ganesh Corporate House, 100 Feet Hebatpur-Thaltej Road,  
Near Sola Bridge, Off S. G. Highway, Ahmedabad - 380 054

P: +91 79 61608888; F: +91 79 61608899; W: [www.ganeshhousing.com](http://www.ganeshhousing.com); E: [investors@ganeshhousing.com](mailto:investors@ganeshhousing.com)

Name of the member(s):			
Registered address:			
Folio No/ Client ID & DP ID:		E-mail ID:	

I/We, being the member(s) of \_\_\_\_\_ shares of the above named company, hereby appoint:

Name: \_\_\_\_\_ E-mail ID: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
Signature: \_\_\_\_\_ or failing him

Name: \_\_\_\_\_ E-mail ID: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
Signature: \_\_\_\_\_ or failing him

Name: \_\_\_\_\_ E-mail ID: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28<sup>th</sup> Annual General Meeting of the Company, to be held on Saturday, the 14<sup>th</sup> day of September, 2019 at 3.00 p.m. at the Registered Office of the Company at Ganesh Corporate House, 100 Feet Hebatpur-Thaltej Road, Near Sola Bridge, Off S. G. Highway, Ahmedabad - 380 054 and at any adjournment thereof in respect of such resolution as are indicated below:

\*\* I wish my above Proxy to vote in the manner as indicated in the box below:

Sr. No.	Resolution	Vote (Optional) See Note No. 2 (Please mention number of Shares)		
		For	Against	Abstain
	<b>Ordinary Businesses:</b>			
1.	To consider and adopt: <ol style="list-style-type: none"> <li>the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2019, together with the Reports of the Board of Directors and Auditors thereon and</li> <li>The Audited Consolidated Financial Statement of the Company for the financial year ended 31<sup>st</sup> March, 2019, together with the Report of Auditors thereon.</li> </ol>			

# GANESH HOUSING CORPORATION LIMITED

Sr. No.	Resolution	Vote (Optional) See Note No. 2 (Please mention number of Shares)		
		For	Against	Abstain
2.	To declare a dividend on equity shares for the financial year ended 31 <sup>st</sup> March, 2019			
3.	To appoint a Director in place of Mr. Shekhar G. Patel (DIN: 00005091), who retires by rotation and being eligible offers himself for re-appointment			
	<b>Special Businesses:</b>			
4.	Ratification of Remuneration of Cost Auditor for the Financial Year 2019-2020			
5.	Re-appointment of Dr. Bharat J. Patel (DIN: 00944269) as an Independent Director for second consecutive term of five (5) years w.e.f. 14.09.2019			
6.	Re-appointment of Dr. Tarang M. Desai (DIN: 00005100) as an Independent Director for second consecutive term of five (5) years w.e.f. 14.09.2019			
7.	Re-appointment of Mr. Ashish H. Modi (DIN: 02506019) as an Independent Director for second consecutive term of five (5) years w.e.f. 14.09.2019			
8.	Authority under Section 185 of Companies Act, 2013			
9.	To approve waiver of the recovery of part of minimum remuneration paid to Mr. Dipakkumar G. Patel (DIN: 00004766), Chairman & Whole-time Director of the Company for the financial year 2018-2019			
10.	To approve payment of remuneration to Mr. Dipakkumar G. Patel (DIN: 00004766), Chairman & Whole-time Director of the Company for a period commencing from 1 <sup>st</sup> April, 2019 and ending on 31 <sup>st</sup> March, 2020			
11.	To approve payment of remuneration to Mr. Shekhar G. Patel (DIN: 00005091), Managing Director of the Company for the financial year 2018-2019 and 2019-2020 respectively			
12.	To re-appoint Mr. Shekhar G. Patel as Managing Director of the Company for a period of five (5) years w.e.f. 1 <sup>st</sup> July, 2019 and payment of remuneration as per Schedule V for a period of 3 years for said term.			

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019

\_\_\_\_\_  
Signature of Shareholder

\_\_\_\_\_  
Signature of Proxy holder(s)

Affix  
Revenue  
Stamp  
of Re. 1/-

## Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. It is optional to indicate your preference. If you leave for, against or abstain column blank against above resolution, your proxy will be entitled to vote in the manner as he may deem fit.

# Attendance Slip

**PLEASE BRING THIS ATTENDANCE SLIP TO THE MEETING HALL AND HAND IT OVER AT THE ENTRANCE**

Joint Shareholders may obtain additional slip at the venue of the meeting

I/We hereby record my/our presence at the 28<sup>th</sup> Annual General Meeting of GANESH HOUSING CORPORATION LIMITED held at the Registered Office of the Company at: Ganesh Corporate House, 100 Feet Hebatpur-Thaltej Road, Near Sola Bridge, Off S. G. Highway, Ahmedabad - 380 054 on Saturday, the 14<sup>th</sup> day of September, 2019 at 3.00 p.m.

Name of the Shareholder : \_\_\_\_\_

Ledger Folio No./CL ID : \_\_\_\_\_

DP ID No. : \_\_\_\_\_

Number of shares held : \_\_\_\_\_

Name of the Proxy/Representative, if any : \_\_\_\_\_

Signature of the Member/Proxy : \_\_\_\_\_

## ROUTE MAP OF THE VENUE OF 28<sup>TH</sup> ANNUAL GENERAL MEETING





# PAST PROJECTS



*Magnet Corporate Park, Thaltej*



*Malabar County 2, Tragad*





**Ganesh Corporate House**

100 Feet Hebatpur-Thaltej Road, Nr. Sola Bridge, Off S. G. Highway, Ahmedabad – 380 054

**Phone:** +91-79-6160 8888 | **Fax:** +91-79-6160 8899 | **CIN:** L45200GJ1991PLC015817

**Website:** [www.ganeshhousing.com](http://www.ganeshhousing.com) | **E-Mail:** [investors@ganeshhousing.com](mailto:investors@ganeshhousing.com)