

29<sup>th</sup> Annual Report  
**2019-20**

**GANESH  
HOUSING**  
CORPORATION LIMITED



# ADAPT & EVOLVE



# What's **inside...**

## 01-09 **Corporate Overview**

Adapt and Evolve	01
Ganesh Housing at a Glance	02
Adapting to the New Optimism	04
Evolving with Opportunities	05
Chairman's Message	06
Maple Tree Project	08
Corporate Information	09

## 10-15 **Notice**

## 16-58 **Statutory Reports**

Directors' Report	16
Management Discussion and Analysis	25
Corporate Governance	35

## 60-148 **Financial Statements**

Standalone	60
Consolidated	108

**Disclaimer:** This document contains statements about expected future events and financials of Ganesh Housing Corporation Limited, which are forwardlooking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.



# ADAPT & EVOLVE

Every challenge gives us two options -  
**react or respond.**

The year 2019-20 was dominated by challenges for the real estate industry. But we, at Ganesh Housing Corporation Limited, responded to the situation differently. Instead of reacting to what wasn't under our control, we promptly responded by working on areas that we could control. We adapted to the changes by being resilient and gradually evolved with opportunities into a better version of what we were.

Right from the business progressing at a slower pace, to overall market conditions, the outbreak of Covid-19 and the consequent lockdown, 2019-20 was a year marked by operational challenges. Construction activities came to a sudden halt, slowdown in sales was observed and labourers migrated back home. There were obstacles, issues, and challenges. But our proactive management and timely action helped us stay afloat. We faced adversities, remained optimistic about our growth prospects and kept moving forward with our strong resolve to adapt and evolve.



# Ganesh Housing at a Glance

Established in the year 1991 and headquartered in Ahmedabad, Gujarat, Ganesh housing Corporation Limited (otherwise 'Ganesh housing', or 'the Company') is one of the leading players in the organised housing and construction.

Ganesh Housing specialises in the residential sector and emphasises on the mid to higher income segment. Having gained experience and expertise over the years, the Company has gradually entered the commercial, retail and township format of the real estate industry as well.

The Company's offerings are perfectly complemented by its thoughtful management, ongoing innovation, and consistent delivery of high-quality spaces to its customers. This has allowed Ganesh Housing to not only strengthen its presence but also expand its proficiency in commercial and retail segments. The Company endeavours to create spaces which not only offer ultimate comfort and modern amenities but also respect and value the environment. With one of the largest developable land bank in the city, offering more than 52.37 million sq.ft. of space, Ganesh Housing owns a possible development area of 27.83 million sq. ft. The Company's ISO 9001-2015, ISO 14001 : 2015 & ISO 45001: 2018 certifications speak volumes for its construction methodology and quality work.



## Vision

- 🏠 To be the most trusted, transparent & admired real estate developer



## Mission



- 🏠 To continuously innovate & use the latest technology to provide high-quality spaces to our customers
- 🏠 To build a strong team & a solid corporate culture in order to ensure a dynamic work environment and that the customer needs are taken care of to the best extent possible
- 🏠 To set up & build standard processes to establish transparency and gain customer trust
- 🏠 Contribute & participate directly in social causes to uplift society, especially in the fields of education, healthcare and community development





# Projects

## LANDMARK PROJECTS COMPLETED IN PAST

 <p>Paldi, Ahmedabad No. of Units: 221   Type: Residential cum retail</p>	 <p>Sola, Ahmedabad No. of Units: 96   Type: Residential</p>	 <p>Memnagar, Ahmedabad No. of Units: 32   Type: Commercial cum Retail</p>
 <p>Shilaj, Ahmedabad No. of Units: 192   Type: Residential</p>	 <p>Satellite, Ahmedabad No. of Units: 46   Type: Residential</p>	 <p>S. G. Road, Ahmedabad No. of Units: 23   Type: Commercial</p>
 <p>Shilaj, Ahmedabad No. of Units: 192   Type: Residential</p>	 <p>Malabar County I, Ahmedabad No. of Units: 600   Type: Residential</p>	 <p>Malabar County I, Ahmedabad No. of Units: 502   Type: Residential cum Retail</p>



# Adapting to the New Optimism

The process of adaptation is a profound one. It teaches you to thrive amidst challenges and competition, hence paving way for optimism and growth. At Ganesh Housing, adaptation stands for acceptance of change. It stands for optimism for the future. Each time the Company has found itself at a crossroad, it has responded with its optimism. This approach is exactly what is helping the Company shape its future amid the new normal.

The industry's landmark evolution point came with the introduction of the Real Estate (Regulation and Development) Act (RERA), 2016, and Goods and Services Tax (GST) in 2006. These regulations have changed the ground reality, proving to be a boon for organised players like Ganesh Housing. Together, these developments have introduced a transparent mechanism, opening several doors of opportunities while adding optimism and stability to the future.

## RERA

### The introduction of RERA will help us by:

- ✧ Staying ahead of the competition through innovation and taking the services of eminent professionals
- ✧ Winning trust and confidence of home buyers
- ✧ Attracting more buyers by eliminating untrustworthy developers

## GST

GST is among the many taxes that home buyers pay on property purchase. The tax structure for the same has undergone several changes within a short span of time since it came into force in July 2017. With the intent to stimulate demand amid a prolonged slowdown, the government has reduced the GST rate on property transactions significantly. A uniform tax structure will help improve timely tax compliance by developers, helping them earn credit points. This will aid in reducing the cost which can be passed onto buyers as reduction. Hence, potentially lowering the buyers' pay-out by 4%-6% on the overall purchase and generating demand in turn.

Property type	GST rate till March 2019	GST rate from April 2019
Affordable housing	8% with ITC	1% without ITC
Non-affordable housing	12% with ITC	5% without ITC

## Land bank updates

Ganesh Housing holds around 60 acres of land near the Nirma University at Chharodi and Tragad, Ahmedabad. During the year, the Government announced preliminary town planning scheme no. 36 for the Chharodi-- Tragad and town planning scheme no. 64 for Tragad land. This will help the Company to leverage on its land bank and capitalise on the same.





# Evolving with Opportunities

They say the road to success is always under construction because it keeps evolving. With changing times, demands evolve and it is important to keep updating so as to be in sync with the latest trends. This transition is important to grab right opportunities at the right time. At Ganesh Housing, close attention is paid to the needs of the industry and customers as it helps the Company evolve as it grows.

## Affordable housing

Ganesh Housing consciously opts to ride the waves of change as it transforms into something new and relevant each time. This has helped the Company discover its new core and its biggest strength - the Affordable Housing segment. The outbreak of the pandemic is expected to prove itself a boon for the real estate players in the affordable housing segment in the long run. The Covid-19 situation has changed buyers' perspective today. An increasing number of people believe that owning a house is better than paying high rents, especially amidst such distressing and uncertain times. This is anticipated to ultimately boost demand for houses in India.

## Redevelopment

The location of Ahmedabad is supremely important to the Company. With its ocean of opportunities, the city alone has a potential 700 buildings qualifying for the redevelopment. Being at the forefront, Ganesh Housing wishes to transform and realise this huge opportunity.

Over **700** Housing societies  
in Ahmedabad older than 25 years



# Chairman's Message



While we are pleased with the year gone by, the current year is sure to throw in new challenges along with opportunities. Our resilience and agility will critically help us emerge stronger from this crisis.



## Dear Shareholders,

Even as I write this, the world is facing the brunt of the social distancing, lockdown, and economic disruption. The outbreak of Covid-19 has brought the world to an unthinkable crossroad. These unprecedented times are not just changing the way we live our lives right now but also the future. I am hoping for your and your family's safety right now and in the times to come.

On the economy front, the sluggish global economy of 2019 rubbed off its effect in India along with the homegrown cyclical economic issues. The country's GDP growth sharply skimmed down from 6.8% in FY19 to below 5% in FY20. The last quarter of the financial year was disrupted by the outbreak of Coronavirus pandemic. The complete lockdown, as enforced by the Government to contain the spread of the virus, dragged down economic activities across India in March 2020. This impacted our demand severely as we felt the recessionary aftermath. With the extended lockdown significantly plaguing the overall growth in the next fiscal across sectors, the first quarter is expected to

be gravely weighed down. There is also an anticipation of a gradual easing of the impact during the second quarter. However, normalcy may not fully restore before the second half of 2020-21. We are anticipating recovery during this same period, largely be driven by our presence and offerings in the affordability segment.

## Financial highlights

During the year under review total income on consolidated basis increased to Rs.27733.11 lakhs from Rs. 26720.57 lakhs in the Previous Year. Total expenditure increased from 19011.92 lakh in the Previous Year to Rs.32773.40 lakhs on consolidated basis. After providing for finance cost and depreciation the consolidated loss before tax stood at Rs.13236.12 lakhs and loss after tax was Rs.11962.63 lakhs.

## Highlights for the year

While we are pleased with the year gone by, the current year is sure to throw in new challenges along with opportunities. Our resilience and agility will critically help us emerge stronger from this crisis. FY21 is likely to be the first financial year

in the recent times where India's GDP growth is anticipated to be negative. With the crisis leading to significant job cuts and salary reductions already, it is sure to have demand ramifications on high value purchases such as residential real estate. However, our biggest strength lies in Affordable Housing Segment and with the current scenario, we are hoping this to prove as a boon for the Company in the post-Covidworld. Additionally, various norms relating to redevelopment of existing societies, as declared by the authorities, are also expected to work in our favour.

## Opportunities

As on March 31, 2020, our group land bank stood at 27.83 mn sq. ft. (639.13 acres)

We hold around 60 acres of land near the Nirma University at Chharodi and Tragad. The Government recently announced the preliminary town planning scheme no. 36 and 64 for Chharodi – Tragad and Tragad Land respectively.

In the new emerging market, driven by the





Prime Minister's thrust on Housing for All, we have pivoted towards the Affordable Housing Segment by foraying into the sector.

We have a strong belief in Ahmedabad's future, especially the city's emerging areas. We are planning to launch new residential projects that qualify under the Affordable Housing Segment as per the new guidelines. Given the city's potential and our belief in its redevelopment prospects, we are planning to tap the opportunities in Ahmedabad for assisting co-operative housing societies in redevelopment.

### Navigating through Covid-19

We are facing this crisis with great strength, a result of years of prudent and proactive management of the business. We lay our full focus on our business today and the year ahead. Given the challenging external environment enveloping the global and Indian markets, we foresee a change in customer preference and the trend towards rented housing. With the pandemic causing disruptions right from the grass root levels, it is questioning a layman's ability to continue living in a rented house.

We anticipate a high demand for residential properties in the times to come as the situation gradually returns to normal. Being rightly placed in the Affordable Housing Segment, we expect to be benefitted from these supporting tailwinds.

The team at Ganesh Housing is truly exceptional and passionate about the opportunities lying ahead. As a part of Ahmedabad's leading real estate developer, our team is driven by our Company's commitment to excellence, sustainability, and diversity. I am grateful to each of my team members for their exceptional commitment and ambition. I would also like to thank our customers, and business associates for their continued support. Finally, we owe a heartfelt thanks to our shareholders, for their undying support and belief in Ganesh Housing.

Regards,  
**Dipakkumar G. Patel**  
Chairman

“ We are also planning to launch new residential projects that qualify under the Affordable Housing Segment as per the new guidelines. ”

# Maple Tree Project

2.0 million sq. ft. Saleable area

