

CHAIRMAN'S MESSAGE

Dear Shareholders,

It is always a pleasure sharing with you a few words about our company, its performance in the previous year and its future plans and prospects.

The year 2010-11 saw the real estate industry stabilise and consolidate after two difficult years. The overall economic scenario was also much better during the year. Over the years, the company has taken a strong strategic focus on Ahmedabad. The company firmly believes that in the real estate business, the local knowledge of land, its people, their consumption habits and patterns are all very critical in achieving long-term success. The company's strategy proved to be successful as the last two years have shown that companies who spread far and wide on a pan-India basis were more vulnerable and more affected than those like Ganesh Housing who opted for a very focussed space.

The company is today one of the most recognised and respected names in the real-estate space in Ahmedabad. The city of Ahmedabad is one of the fastest growing tier II cities in the country. The city is lined up for tremendous growth over the next few years and is strongly expected to emerge as the second financial hub and a leading Auto and IT hub in the country. The residential demand in Ahmedabad is estimated at 65,000 units and is projected to grow at a CAGR of 15%. At Ganesh Housing, we plan to capture 5% of this market in the next three years.

The company has the largest developable land bank in and around the city at 640 acres. In the real-estate business, the size of the developable land bank is a strong indication of the future prospects of the company. This land bank has been very judiciously acquired. All this land bank is developable today and promises a great future. The land bank that we have also has one of the lowest cost of acquisition. This gives tremendous flexibility and leverage to our projects, not to mention the compelling price advantage to our customers. With this superb quality of land bank, we are now ready to leap and lead and take the company to even greater heights.

Apart from the largest land bank, the company is also actively executing various projects in the commercial and retail sectors of about 1.73 sq.ft. with another 2.00 million sq.ft. of developments in the pipeline. The company also has two of the

most ambitious mega projects - Million Minds of around 10.19 million sq.ft. built up space and Smile City of about 23.26 million sq.ft. of built up space about to be launched.

With this land bank and projects under execution and in pipeline, the company is about to enter the higher orbit. In the coming years, we will go from 0.5 million sq.ft. today to 3.5 million sq.ft. per annum.

The company had yet another remarkable year and registered a sterling performance. In the year 2010-11, our revenues increased by Rs. 67.37%. We recorded revenues of Rs.170.28 crores as compared to Rs. 101.74 crores in the previous year. We improved our EBIDTA to Rs. 101.38 crores during the year from Rs.69.67 crores in the previous year, an increase of 45.51%. Our PAT also improved from Rs. 47.60 crores in the previous year to Rs. 57.73 crores in the current year, registering an increase of 21.28%.

The company continues to fortify and strengthen itself internally by ensuring that it adopts and embraces best practices and processes in the industry. During the year, the company implemented Enterprise Resource Management (ERP). With ERP System, the company will have one of the best management information system for faster and accurate decision making.

The company continues its commitment as a responsible corporate citizen. The company actively supports education through its directly involvement with two schools. The company is also actively supporting SHATAYU - an organ donation awareness initiative of the Govindbhai C. Patel Foundation in affiliation with the International Red Cross Society.

The Company has fully prepared itself for the future and is looking eagerly for a big leap in the coming years to establish itself as the leader in real estate space in the city of Ahmedabad, one of the fastest growing cities.

I sincerely thank you for your support and faith in the company and assure you we shall continue in our endeavour to deliver best projects to the people of Ahmedabad and exceptional value to our shareholders.

Yours sincerely,

Dipakkumar G. Patel

