

CHAIRMAN'S MESSAGE

Dear Shareholders,

Twenty six years ago when we started operations, real estate was an industry space that most shied away from. Despite this, we entered the business with a vision. A vision to transform the industry in which we operate, the region where we operate, and the lives of people around whom we operate. Driven by this, we developed the five core values of our business that defines all our actions – transparency in all dealings, commitment to deliver on time, innovation in designs and concepts focussed on customer comfort, quality of construction and care for the environment.

DURING THE YEAR, OUR TOTAL REVENUES INCREASED 26% FROM ₹ 3,240.86 MILLION IN 2015-16 TO ₹ 4,087.73 MILLION.

It was our strong belief in these values that enabled us to set new benchmarks in the industry. Today, Ganesh Housing is synonymous with trust, transparency, and quality. More importantly, these values, that once defined our purpose of existence, have become industry norms. While most others are busy restructuring organisation and readjusting business strategies to adhere to the new norms, we are in a sweet spot to capitalise on the huge opportunities that the industry would unfold in the coming years.

Another major strategy that we undertook was to restrict our presence to the Ahmedabad market, which was still developing. Being an important part of the city's development and its meteoric rise in real estate, we developed our niche in this market. Building strong ties with the best in the industry suppliers and engineers, working with best people and gaining customer trust, we have unmatched presence, knowledge and expertise in this market.

PERFORMANCE REVIEW, 2016-17

2016-17 was a difficult year for the industry. As most of the players were gearing themselves up for the upcoming implementation of RERA, in came the demonetisation shock that impacted real estate sales as significant cash crunch in the industry. It also led to further delays in project delivery, given that most of the industry participants. The impact was more severe on players who used to take the wrong route to avoid tax incidence.

At Ganesh Housing, things were different. 2016-17 was a great year for us in many ways. Not only did we witness strong performance, we also further strengthened our foundation that would enable us to take the fast mover advantage of the new industry regulations.

During the year, our total revenues increased 26% from ₹ 3,240.86 million in 2015-16 to ₹ 4,087.73 million. EBITDA and PAT increased by 3% and 6% respectively to ₹ 2,128 million and ₹ 746 million respectively in 2016-17. The earnings per share in 2016-17 increased to ₹ 15.93 as against ₹ 14.12 in the previous year.

Driven by the strong performance, the Board has recommended a dividend of ₹ 2.00 per share, subject to the approval of the shareholders.

INDUSTRY OPTIMISM

What makes me most excited about our long-term growth story are two major industry developments – the implementation of Real Estate (Regulation and Development) Act, 2016, widely known as RERA, and the easing norms of Real Estate Investment Trusts (REITs).

RERA is an important development in the industry that focusses on eliminating all sorts of ambiguities in the industry to protect buyers' interest. While most other players are intimidated by RERA, given the amount of disclosures to be made and transparency to be adopted, it is a welcome move for us. Going forward, all players and parties involved in projects needs to be registered with RERA along with sufficient disclosures relating to quality, delivery schedule, and plan among others. Thus, as most industry players get busy restructuring organisation and building capabilities to comply with the norms, there is likely to be a significant shortfall in the supply of residential and commercial properties. This is where our expertise shall come into play. Having followed similar norms for over two decades, we face no major hurdles. With our strong pipeline of RERA-approved projects, we shall be able to meet significant demand. Our focus for the coming years shall be on creating robust cycle of getting more projects registered, deliver as per specification, generate cash flows and fund new projects.

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REITs are another major development that we are counting on. Globally, REITs have emerged as an important asset class for investors seeking investment in real estate in a liquid manner. However, REITs being a completely new asset class in India and its norms being unfavourable earlier, investors were hesitant to enter this space. Now with the government modifying the rules, it is likely to witness some development.

An important factor that REITs consider before investing is the developers experience, market reputation, and income generating and capital appreciation capabilities of their projects. Besides with RERA implementation, consideration for RERA-approved projects would also form an important criterion. At Ganesh Housing, having fulfilled all the requirements, we are confident that our under construction as well as completed Project shall be an attractive investment option for REITs. This shall help in funding ongoing projects and transferring the completed ones for a consideration which shall facilitate in reducing our leverage and enhance growth momentum.



MESSAGE TO THE STAKEHOLDERS

On behalf of the Board, I would like to thank all our shareholders for their trust and support over the years. Our focus has always been on maximising returns to the shareholders and going forward we shall continue to do so. In addition to this, RERA and REITs make our growth potential even more exciting. We shall continue to strengthen capabilities to enhance our delivery competencies.

I also take this opportunity to thank our employees for their continued efforts to take Ganesh Housing to greater heights and various builder communities for making our projects a reality.

I would like to assure all our stakeholders that as a future-focussed organisation we have undertaken all the necessary initiatives for creating long-term value and growth together.

Yours sincerely,

Dipak G. Patel
Chairman