

**ANSAL PROPERTIES & INFRASTRUCTURE LTD**  
Regd. Off: 115, Ansal Bhawan, 16, K. G. Marg, New Delhi- 01.

**Chairman, Shri Sushil Ansal's address to the Shareholders at the 43<sup>rd</sup> Annual General Meeting of the Company held on the 29<sup>th</sup> September 2010 at New Delhi.**

**Dear Shareholders,**

I extend a warm welcome to each of you at the 43<sup>rd</sup> Annual General Meeting of your Company.

The Report of the Directors for the Financial Year ended March 31, 2010 is already with you for quite sometime, and with your permission I take it as read.

**Financials**

Net Profit for the year 2009-10 stood at Rs 71.02 crores on a consolidated basis as against Rs. 30.69 crores in the year 2008-09, registering a robust growth of 131%.The total turnover including other income for the year ended March 31, 2010 stood at Rs. 894.09 crores, as compared to Rs. 778.55 crores for 2008-09.

Net Profit for the year 2009-10, on standalone basis, also increased by 29% to Rs. 67.32 crores from Rs. 52.21 crores in the FY 2008-09.An amount of Rs 10 Crores has been transferred to the General Reserves.

**Dividend**

Maintaining the consistency, your Directors have recommended for shareholders' approval a dividend of Rs. 0.50 paisa (i.e. 10%) per Equity Shares having the face value of Rs. 5/- each, fully paid up.

**Infusion of funds**

As you are aware that during the last financial year and the current year your Company has raised about Rs 137. 93 crores by issue and allotment of Equity Shares, on preferential issue basis, to an identified Foreign Institutional Investor and other Resident Investors. This shows the continuing confidence of the investors in the Indian real estate sector and more particularly in your Company. Plans are also being made to increase funding using various routes to increase appreciably the Company's financial and business strength.

**Economic Outlook**

After a tumultuous performance in Financial Year {FY} 2008-09, the recovery of global economic is becoming increasingly widespread. Global GDP, which grew around 2.75% in 2009-10, is estimated to clock a growth of about 4.75% in the

current fiscal. During the FY 2009-10, the Indian economy was on its recovery path from the global financial crisis. The economy showed traction with the Country's GDP growing at 7.4% in FY 2009-10.

One of the key concerns for the authorities during the year was the sharp increase in inflation, predominantly driven by primary commodities. In March 2010, the headline Wholesale Price Index touched 9.9% and above. While RBI has been adopting a measured and calibrated approach towards withdrawing the monetary stimulus package, credit off-take picked up significantly in the last quarter of FY 2009-10, signifying rising optimism and confidence in the economy.

The Indian economy is likely to grow by around 8.5% against an average world output growth of 3.9% and thus exceed its global counterparts in the year ahead. With infrastructure spending likely to gain more prominence, it is expected that not only will the ongoing recovery continue into the next financial year but will also translate into optimism in credit growth and growth prospects, in general. Focus on investment in the next fiscal year is likely to render India a marketplace that is worth consideration.

### **Real estate sector**

Historically, the real estate sector in India was unorganized and beset by various shortcomings that impeded organized dealing. In recent years however, the real estate sector in India has demonstrated a tendency towards greater organization and transparency through a range of regulatory reforms.

The upswing of the Indian real estate sector has been an outcome of a number of positive micro and macro factors. Consistent and sustained GDP growth, expanding service sector, rising purchasing power and affluence, easy availability of finance and affordability and proactive/changing government policies have all lent momentum to this rapidly growing sector. Recovery has been mostly in residential sector as compared to commercial, retail & I.T sectors. Your Company has more than 85% revenue stream from residential sector.

Another factor driving real estate growth in India is growing urbanization. According to the United Nations Population Division, the urban population in India will continue to grow at a rate of 2.5% per annum for the next two and a half decade. As per the Census of India 2001, 41% of the total population of India will be living in urban areas by 2011. This increase in population will generate incremental demand for housing and other real estate products and services

### **Reforms in the Real Estate Sector**

In recent years, various reforms have been instituted on the national and State levels which have created a path towards greater organization and transparency in the real estate sector. These include:

- Support from the Government of India for the repeal of the Urban Land Ceiling Act (introduced in 1976), with nine State Governments having already repealed the Act. The law was repealed by the Central Government in 1999. However, as land is principally subject to State law, the law is still in force in some large Indian states like Andhra Pradesh, Assam, Bihar and West Bengal;
- changes in the rent control statutes to provide greater safeguards for homeowners wishing to rent out their properties;
- the rationalisation of property taxes in a number of States;
- the proposed conversion of land records into electronic form; and
- FDI being permitted in the real estate sector, subject to certain conditions.

### **Overview of your Company**

As you know we are a leading real estate developer in India with over 40 years of experience in the real estate sector. We are engaged in the development of integrated townships and other large mixed-use and stand-alone developments in the residential, commercial and retail segments, as well as engineering SEZs, IT/ITES and industrial parks, with a focus on large-scale mixed use developments, particularly in residential projects. We are also focused on affordable housing segment of the residential property market, particularly in key cities in northern India. A significant majority of our projects are located in north India, particularly in the NCR and the States of Uttar Pradesh, Haryana, Rajasthan and Punjab.

We have extensive Land Reserves which are strategically located in the NCR and in key cities in the States of Uttar Pradesh, Haryana, Rajasthan and Punjab. As of March 31, 2010, these Land Reserves aggregated approximately 9,000 acres, of which approximately 6,500 acres are either owned by us or land over which we have sole development rights. Out of this, we have received permissions for the development of approximately 5,500 acres as of March 31, 2010.

We have extensive experience in the development of integrated townships. As of March 31, 2010, we have offered for transfer of possession to our clients approximately 190 million sq. ft. of saleable area,

Following are some of our important projects currently under development and/or planning in various stages on our own or through joint ventures:

*Sushant Golf City, Lucknow.* Sushant Golf City in Lucknow, one of our largest projects to- date, in the first phase is covering a land area of 1,765 acres, and is being developed as a hi-tech township. This project to be expanded to 3530 acres will include residential and commercial spaces, as well as on non-polluting industries, IT services and bio tech parks. This development, in addition to the

serviced plots and other residential asset classes, will feature the Mahesh Bhupathi tennis academy, an amusement park, sports clubs, tourist leisure zones, an 18-hole golf course as well as medical and educational facilities. The value of the Project is approximately Rs 8000 crores and net saleable area is about 62 million square feet.

Megapolis, Dadri. Situated next to Greater Noida, our "Megapolis" Hi-Tech township development is spread over an area of 2,504 acres, and has received government approval for this area. This township development will feature an 18-hole golf course and educational, sports and medical facilities. The value of the Project is approximately Rs 22,000 crores and net saleable area is about 77 million square feet.

Esencia, Gurgaon. The Esencia is an integrated township project spread across approximately 112 acres. The project was launched in April 2010. The project is located at Sector 67 on Sohna road, Gurgaon. The project offers residential plots, independent family units, commercial space, green zones and other social amenities. The project is first Eco friendly Pilot Township in collaboration with GRIHA (Green Rating for Integrated Habitat Assessment) , a body jointly promoted by the Ministry of New and Renewable Energy (MNRE) and The Energy and Resources Institute (TERI). In this new township project, your Company will use solar power and also install sewage treatment plants

Aquapolis, Ghaziabad. The Aquapolis is located on National Highway 24, Ghaziabad. The 127-acre development, designed by Chelsea West, New York, will incorporate reflecting pools, greenery and high-rise towers. The project features underground parking facilities, advanced systems for vehicular traffic with underpass connectivity to ensure traffic-free green spaces, shopping arcades, community centers and schools located within walking distance.

Sushant City, Meerut, U.P. Spread over approximately 300 acres of land, this upscale township offers expansive greenery and parks, advanced multilevel security systems, well-appointed amenities and facilities tailored for urban living, and a well-developed road network, make this township an attractive location in Meerut.

Pioneer Industrial Park, Pathredi. Pioneer Industrial Park is spread over an area of approximately 111 acres on National Highway 8, near Bilaspur Chowk. The industrial park is strategically located in the Gurgaon district of Haryana and is located near the Institute of Management Technology, Manesar, and the Indira Gandhi International Airport. The industrial park features modern amenities and infrastructure suitable for manufacturing units and corporate headquarters. The industrial park will cater to diverse industrial segments, including agro-based and food-processing units, electronics and telecommunication, automobiles and automotive components, textiles, exporting units and pharmaceuticals units.

Pioneer Agro-Food SEZ, Murthal. Pioneer Agro-Food SEZ is an approved and notified Agro-Food SEZ spread over approximately 250 acres of land. The project is located on Grand Trunk Road (National Highway 1) at a distance of approximately 50 km from Delhi. Various large industrial units are located in

close proximity to this SEZ. The prospective agro and food processing units in the SEZ will be entitled to fiscal incentives under prevailing government policies.

### Golf Link, Mohali,

An integrated township in Mohali, Punjab, that is spread over about 309 acres of land. The project is situated at the prime location on Kharar Landran Road having all the facilities including hospitals, shopping complexes, schools and community centers.

### **Projects in hand**

Presently your Company is spreading its arms and undertaking projects of Housing, Commercial & Retail predominantly in four North Indian States i.e. Uttar Pradesh, Haryana, Rajasthan & Punjab on its own or through joint ventures/collaborators. It is executing in various phases of development about 67 Projects in various cities of UP, Haryana, Punjab and Rajasthan. In the State of UP, your Company is developing about 12 nos. of projects in Lucknow, Agra, Greater Noida, Meerut and Ghaziabad. Similarly in the State of Haryana your Company is developing about 28 nos. of projects in Kundli, Sonapat, Panipat, Karnal and Gurgaon. In the State of Rajasthan about 13 nos of projects are being developed in Jaipur, Jodhpur, Ajmer and Bhilwara. About 14 nos of projects are being developed in Ludhiana, Amritsar, Jalandhar, Bhatinda, and Mohali in the State of Punjab. The total value of Projects in hand is approximately Rs 46,000 crores

### **Focus on Tier I & II cities**

Your Company's strategy of focus on smaller cities or better known as Tier I & II cities has proved to be a correct vision perceived on a long term basis considering both i.e. its performance and its priority in development of the Nation. The Company has been the pioneer in moving to these Tier I & II cities. Your Company has undertaken / is under the process of launching projects in various States like Rajasthan, Haryana, U.P., Punjab and also in NCR regions.

### **Affordable Housings**

Your Company is one of the first real estate companies in India to focus on affordable housing. Our ability to purchase land at competitive prices, as well as our in-house project management capabilities, enable us to efficiently and effectively conceptualize and execute our projects. We believe that the affordable housing segment faces a supply-demand mismatch, and offers large potential for future developments despite the competition in this sector. Accordingly, we plan to continue our strategy of developing integrated townships in key cities in North India. We also plan to launch projects in the low-cost housing segment, in the range of Rs.0.5 million to Rs.1.2 million per dwelling unit, with an average built-up area of 500 to 950 sq. ft. We believe that the demand for housing is expected to continue to increase in this segment

due to growth in the low-and-middle-income families and the corresponding growth of urbanization in India.

### **Special Economic Zones {SEZ} & Industrial Parks**

IT/ITES parks are areas with a high concentration of commercial office space, specifically targeting IT and ITES companies. IT/ITES parks will form part of the hi-tech cities we develop. An industrial park, on the other hand, is an area zoned and planned for the purpose of industrial development.

We have got two IT/ ITES SEZs and one Engineering SEZ notified by the Govt of India which are at an initial stage of development.

We have already touched upon our Agro-Food SEZ Project - Pioneer Agro-Food SEZ in Murthal and our Industrial Park Project- Pioneer Industrial Park in Gurgaon in earlier part of this speech.

### **Commercial & Retail**

Your Company's commercial real estate business includes developing and constructing high rise office blocks and IT/ITES parks. The commercial business model of your Company involves either the leasing or the outright sale of our developed properties, determined on a case by case basis. For future, the Company is planning to retain ownership of many of the retail developments. Notwithstanding a sale of mall retail units, the Company generally retains mall management, as well as the ownership of key common areas, in order to control the quality of the retail space and maintain an appropriate mix of tenants.

Since building one of the first shopping malls of NCR, Ansal Plaza in South Delhi in 1999, we have been developing a number of modern shopping malls and other retail spaces under the "Ansal Plaza" brand. We have successfully launched Ansal Plaza in Greater Noida, Ludhiana, Jalandhar, Palm Vihar and Jodhpur. Ansal Plaza in locations like Meerut, Agra Lucknow and Panipat, to name a few, are in advance stage of launching.

### **Corporate Social Responsibility**

Your Company offers full support to Governments' Schemes for economically weaker sections and makes constructive contribution to the underprivileged communities by supporting socio-economic initiatives. Environmental issues are always very important and we are well aware of our role as an influencer towards the same. In order to create awareness towards environment, we organize various Tree Plantation Camps/ activities. All our projects are aimed at environmental protection, up gradation, conservation, water harvesting etc. and plantation of trees, etc.

Your Company is also supporting various CSR initiatives through NGOs, such as, in the areas of health care through Shanti Sahayog, ILA Trust and Kahma Welfare Committee. About three thousand plots are being provided to

economically weaker sections of society, a senior citizen home has been established and promotion of Hindi literature is being done.

Your Company is also adopting villages in Townships, upgrading roads and sanitation conditions.

The Promoters are also in the process of establishing non profit making companies for charitable / philanthropic activities and also for supporting all artistic, literary and cultural activities.

### **Education/ Schools**

Education is designed to be an important driver for the future. Your Company intends to fully utilize the education plots in its projects and provide good quality education to the residents of its townships. Collaborations have been entered with leading education companies like GEMS for the purpose of operating and managing various schools/other educational institutions. GEMS School in Palam Vihar, Gurgaon, has started its first session in April 2010.

Charanjiv Charitable Trust {CCT}, set up in 1976 by the Promoters, currently runs schools in Palam Vihar and Sushant Lok in Gurgaon. Currently over 6000 students are studying in these schools.

The Trust is also in the process of setting up a large number of schools which will provide quality education. These schools will come up in the township and colonies being developed by the Company in various parts of the country.

CCT has also promoted Ansal Institute of Technology (AIT) in Gurgaon in the year 2000. AIT, an institution for higher education, today conducts undergraduate courses in Engineering in affiliation with Guru Gobind Indraprastha University and post graduate course in management in affiliation with Tilak University of Pune. AIT is also conducting academic twinning programs both at undergraduate and post graduate levels in engineering, technology and management in association with many reputed and accredited universities in USA, Canada, and Australia.

Besides AIT, the Trust also runs Sushant School of Art and Architecture. Set up about twenty years ago to impart education in the field of architecture, today it is one of the sought after institutes in this field .

### **Corporate Governance**

Your Company's commitment to good corporate governance for enhancing the shareholders' value remains unchanged. Your Board of Directors fully support and implement good corporate governance practices in all their legal and other aspects and implications. Your Company's Corporate Governance philosophy stems from the belief that Corporate Governance is a key element in improving efficiency, transparency, accountability and growth as well as enhancing investor confidence.

## **Acknowledgement**

I, on my behalf and on behalf of all the Directors of your Company, would like to express my sincere appreciation and gratitude to: -

- all the regulatory authorities including SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies and the Depositories.
- all Bankers and Financial Institutions, the Central and State Governments as well as their respective Departments and Development Authorities in India and abroad connected with the business of the Company for their co-operation and continued support.
- the members, depositors, suppliers, contractors and customers for the trust and confidence reposed by them in the Company

I also deeply appreciate the hard work, competence, loyalty, cooperation and professionalism of the employees of the Company and its subsidiaries, at all levels. The employees continue to remain the Company's most valuable assets and their relentless efforts have enabled the Company to achieve praiseworthy growth during the year under review.

Thank you for your attention.

29<sup>th</sup> September 2010  
New Delhi

**SUSHIL ANSAL**  
{CHAIRMAN}