

ANSAL PROPERTIES & INFRASTRUCTURE LTD

Regd. Off: 115, Ansal Bhawan, 16, K. G. Marg, New Delhi-110001.

Chairman, Shri Sushil Ansal's Address to the Shareholders at the 44th Annual General Meeting of the Company held on Saturday, the 24th September 2011 at New Delhi

Dear Shareholders,

It gives me great pleasure to extend a warm welcome to all of you at the 44th Annual General Meeting of your Company.

The Directors' Report for the year ended the 31st March, 2011 in respect of the audited accounts for the said financial year is already with you for quite some time and with your kind permission I take it as read.

Before we continue, I would like to welcome Dr. Prem Singh Rana, who has joined us as non-executive and independent director w.e.f the 11th August, 2011. He is an eminent civil engineering professional, having vast experience in planning, appraising, financing and implementation of housing and infrastructure projects all over the Country. His contribution will be very vital for the growth and development of the Company. I would also like to express my personal thanks to all the Directors for their contributive role in guiding the affairs of the Company.

At this stage I am happy to reiterate about the dream that was shared between our visionary co-founder Late Lala Chiranjiv Lal Ansal and myself which has seen us through four glorious decades of uplifting the quality of lives. What started as a family business in 1967, has now become a professionally managed organization with interests in diverse aspects of real estate.

Overview of the Company's Performance in FY 2010-11

Financials

I am glad to say that the Net Profit for the year 2010-11 of your Company stood at Rs 108.05 crores on a consolidated basis, as against Rs. 71.01 crores in the year 2009-10, thereby registering a robust growth of 52%. The total income for the year 2010-11 stood at Rs. 1290.68 crores on a consolidated basis, as compared to Rs. 888.92 crores for 2009-10.

Net Profit for the year 2010-11, on standalone basis, also increased by 13% to Rs. 76.15 crores from Rs. 67.32 crores in the FY 2009-10.

Dividend

The Board of Directors of your Company has recommended Dividend, for the year ended the 31st March, 2011, of Re. 0.50 per Equity Share of Rs. 5/- each, fully paid up at its meeting held on the 26th May, 2011 wherein the Annual

Accounts for the year ended on that date (i.e. 31st March, 2011) was approved by the Board. Dividend will absorb Rs. 917.73 lacs including dividend tax.

Funding the Business

As you are aware that during the financial year 2010-11, your Company has raised about Rs 231.41 crores by allotting Equity shares of the Company to the QIB's under Qualified Institutions Placement. Moreover, about Rs 70.54 crores have been raised through preferential allotment of equity shares to identified Resident Investors. This indicates enduring assurance of the investors in the India Story, its real estate sector and more particularly in your Company. It is our continuous endeavor to bring in long term funds using various routes to increase appreciably the Company's financial and business potency.

Economic Outlook

It's almost a decade since we entered into the 2000s. Economic growth in these years failed to be impressive for the western economies. However, the growing economies (such as India, Brazil, China, Mexico, Russia, and Indonesia) have seen noteworthy economic expansion wherein the eastern economies have been the producers and the western economies the consumers. The same trend will likely to continue.

Global GDP, which grew around 2.75% in 2009-10, is estimated to clock somewhat better growth in the coming years. This may or may not materialize, since in recent times the impending European Debt crisis is a cause for all round concern coupled with the fact that global economic recovery has, till now, been tepid and lackluster. However, in Asia, the economic growth has been better in FY 2009-10 and FY 2010-11 and is expected to remain so in the current fiscal. India is ranked amongst the better growing economies in the world and is expected to grow at a steady pace of around 8% GDP growth.

Real Estate Sector

The real estate sector in India is of great significance. This sector contributes majorly to the economic development of the country. According to the testimony of the Technical Group on Estimation of Housing Shortage; an estimated shortage of 26.53 million houses during the Eleventh Five Year Plan (2007-12) provides a big investment opportunity in this sector.

The Real Estate industry has significant backward and forward linkages with several other sectors of the economy and over 250 associated industries. It is estimated that if the economy grows at the rate of 10%, the housing sector has the capacity to grow at 14% and generate 3.2 million new jobs over a decade.

Growth in the real estate sector can be attributed to the fact that with around 1.1 billion people living across numerous urban agglomerates, India is the second most populous country after China and it is expected to overtake it by 2030. Along with this, the rate of increase in urbanization of population is projected to provide a tremendous potential to the Real Estate Industry. Change in occupation pattern and aspirations of the population have added to the potential of the Industry and provide an impetus to grow further and contribute to the economy.

In recent years the real estate sector in India has exhibited a trend towards greater organization and transparency accompanied by various regulatory reforms such as support of Government of India to repeal the Urban Land Ceiling Act, with nine state governments having already repealed the Act and Rationalization of property taxes in a number of states etc.

Various reforms to streamline the real estate sector, more notably the Real Estate Management (Regulation and Control) Bill, which is expected to establish a regulatory agency, are due for introduction in the system.

Overview of your Company

Your Company is one of the leading real estate developers in India with over four decades of real estate experience. It has developed its brand image through long decades of quality, innovative and pioneering developments. For last 44 years, the Company is engaged in the development of integrated townships and other large mixed-use and stand-alone projects in the residential, commercial, retail and hospitality segments, as well as SEZs, IT/ITES and industrial parks, and, built social infrastructures - such as educational institutions, hospitals, clubs, etc. The majority of the projects are located in the NCR, the States of Uttar Pradesh, Haryana, Rajasthan and Punjab. The Company has 19 integrated townships, including two Hi-Tech Townships.

The Company has extensive Land Reserves of approx 10,136 acres out of which about 43% are strategically located in the NCR and the rest are in the key cities in the States of Uttar Pradesh, Haryana, Rajasthan and Punjab.

It has total saleable area of about 313 million sq ft out of which ~65% is for the residential development.

Your Company has till now developed and delivered about 232 million square feet out of which 40 million square feet is out of the current land reserves across various locations.

With the expectations of upturn in the Economy, we have ambitious growth plans to be achieved by way of establishing new and expansion of existing real estate activities.

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

Hi-Tech Township – Sushant Golf City, {Lucknow}

A Hi-Tech Residential Township, “**Sushant Golf City**” in Lucknow, sprawling across 3530 acres of land is being developed. A world-class international championship golf course surrounds residential and commercial areas, making life on the greens a reality. Designer landscaping, state-of-the-art infrastructure, excellent entertainment and healthcare facilities, lush greens; everything is specially designed to excel even under the most discerning eye.

This township has also planned to have 18-hole championship international standard golf course spread over 338 acres of land, designed by Dr. Martin Hawtree, U.K., a world renowned name behind more than 750 golf courses across the globe.

Some reputed institutions and business centers have already started operating or they are in the process of being operative shortly which include Ansal Technical Campus, Goenka International School and a Bharti Wal-Mart bulk market centre. The Golf Academy is already in operation and it is the center of attraction for Sushant Golf City at Lucknow Project. A cricket academy with the expertise of cricketer Shri Yuvraj Singh, and, another academy, Shri Mahesh Bhupathi Tennis Academy and an Iskcon spiritual centre are also being established and your Company has initiated development work at these centers.

Some residential clusters are already alive and people are shifting in the built houses which have added the attraction for this new project.

Hi-Tech Township – SUSHANT MEGAPOLIS, Dadri, {Adjoining Greater Noida}

This township is being developed on an area admeasuring 2,504 acres under the brand “**SUSHANT MEGAPOLIS**” having saleable area of about 77 million square feet. The Project lies within the National Capital Region (NCR). The Mega city situates near the proposed International Airport and adjoins North India's largest proposed rail terminal coming up in Bodaki on the Delhi Howrah railway line.

The first phase of the development of the project about 700 acres of land have already been acquired out of the total planned land area of 2504 acres. Megapolis is gifted with five natural lakes and a grand canal, which enhance the township's beauty. It will offer one of the finest 18-hole international golf courses in India designed by World Champion golfer Nick Faldo from U.K. and it will also offer a state-of-the-art Mahesh Bhupathi Tennis Academy.

Integrated Township – Esencia, {Gurgaon}

The Company has launched “**Esencia**” an integrated township project, in sectors 67 & 67A, Gurgaon, with the objective of creating eco-friendly and environmentally sustainable living. This township project has been registered as the pilot project for green rating for integrated development by GRIHA (Green Rating for Integrated Habitat Assessment), in India. The Project is being implemented through a joint venture. The total developable area is about 220 acres.

The Fernhill {Gurgaon}

This is a residential project with state of the art facilities located in Sector-91 of Gurgaon. Spread over about 167 acres and located in the proximity of Dwarka Expressway and upcoming KMP Expressway, this project offers superior access to flat owners and strategic advantage to them. Attraction include the Golf Course and Mahesh Bhupathi Tennis Academy.

Integrated Township – Aquapolis {Ghaziabad}

Your Company is developing a project named Aquapolis, in Ghaziabad, (U.P), located near Hapur By-Pass, which is about 127 acres of township having a saleable area of about 5.01 million square feet.

Sushant City, {Meerut}

This upmarket township in Meerut spread over 300 acres of land, offers generous greenery and parks, sophisticated multilevel security systems, well-equipped amenities and facilities customized for urban living, and a well-developed road network.

Integrated Township – Golf Link, {Mohali}

The Company is developing an integrated township in Mohali, {Punjab} spread over about 309 acres of land. This project is at the prime location near Swaraj Mazda plant, on Kharar Landran Road. This Project has all the facilities that include hospitals, shopping complexes, schools and community centers.

Other Integrated Townships

Your Company's other integrated townships are Sushant City, Ajmer, Sushant City, Jaipur, Sushant City, Jodhpur, and others. The facilities in these townships include health centres, shopping complexes, schools, parks, community centres, and underground parking systems.

Industrial Park

The Company is developing another project at Gurgaon of Industrial Park having a total project area of about 112 acres with more than 50 acres of industrial plots to be offered for industrial units to operate various specified industries.

Over view of the Projects

Currently the Company is spreading its arms and undertaking various 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 70 Projects in various cities of UP, Haryana, Punjab and Rajasthan. In the State of UP, your Company has projects in Lucknow, Agra, Greater Noida, Meerut and Ghaziabad. Similarly in the State of Haryana there are projects in Kundli, Sonapat, Panipat, Karnal and Gurgaon. In the State of Rajasthan projects are being developed in Jaipur, Jodhpur, Ajmer and Bhilwara, and, in the State of Punjab projects are located in Ludhiana, Amritsar, Jalandhar, Bhatinda, and Mohali.

Focus on Tier I & II cities

Your Company's strategy to focus on smaller cities or better known as Tier 2 cities, has proved to be a correct policy on a long term basis considering its performance and priority in development of the Nation.

Affordable Housings / Mid Income Housings

In India, bearing in mind the modest economic capability of vast portion of its population, there is good demand for affordable housing. Affordability can be defined as the consumer's ability to purchase his dream house at a cost which he can manage to pay. In the last financial year, the Company has launched ~18.50 mn sqfts under residential segment across various asset classes with a

mix of plots and low rise and high rise built ups which can be categorized as under affordable and mid income housing segment in the States of Rajasthan, Uttar Pradesh, Punjab and Haryana. These have received good response from the customers proving that affordable/mid income housing concepts are attractive in the large middle-income market segment.

Commercial & Retail

Where housing sector is contributing 5-6% towards the GDP of the Country; the commercial real estate sector is not far behind. In the next 10 years, it is expected that the sector will witness an increase of revenue from \$14 billion to \$102 billion.

Indian retail sector comprises of organized retail and unorganized retail sector. Traditionally the retail market in India was largely unorganized; however with changing consumer preferences, organized retail is progressively becoming popular. More than 90% of retailing in India falls into unorganized sector. The organized sector is largely concentrated in big cities.

Your Company has actively pursued contemporary retailing developments by building one of the first and finest shopping malls of NCR, Ansal Plaza in South Delhi in 1999. Since then, a number of modern shopping malls and other retail spaces under the "Ansal Plaza" brand name have been developed. It has successfully launched Ansal Plaza in Delhi, Greater Noida, Ludhiana, Lucknow, Jalandhar, Jodhpur and Palam Vihar in Gurgaon, and is in advance stages of launching Ansal Plazas in various locations like Meerut, Agra, Sonapat, Panipat, to name a few. The location of shopping malls and tenant mix are adjusted to market preferences.

Corporate Social Responsibility

I believe that pursuit and fulfillment of Corporate Social Responsibility is as critical as Corporate Governance in the organization. Full support is extended to Governments' schemes for the economically weaker sections and the underprivileged communities. Moreover, environmental issues remain very significant. Your Company organizes various Tree Plantation Camps / activities from time to time. Projects the Company are aimed at environmental protection, its up-gradation, conservation, water harvesting, plantation of saplings/trees, etc.

My father, Late Shri Chiranjiv Lal Ansal had founded "Human Welfare Mission" on the 15th August, 1953, with a vision of social development through various CSR initiatives. This Human Welfare Mission has started a social education and literacy centre in New Delhi, followed by many more initiatives. In order to give a more meaningful ambit to the human welfare activities being carried out by the Human Welfare Mission, its name and status were changed to Charanjiv Charitable Trust {CCT} in 1976.

Your Company is supporting the welfare and education activities of the Group through CCT & other NGOs to help and reach out to innumerable people belonging to the socially and economically backward strata of the society. For various health care activities, an NGO, namely, Shanti Sahyog, gets financial support. The Board of the Company has also decided to contribute/donate up to 0.5% of its net profits for charitable purposes.

Education/ Schools

Charanjiv Charitable Trust currently runs schools in Palam Vihar and Sushant Lok in Gurgaon where over 6000 students are studying. The Trust is also in the process of setting up a large number of schools, which will provide quality education.

CCT has also promoted the Ansal Institute of Technology (AIT) in Gurgaon in the year 2000. AIT is conducting regular programs in engineering and management along with academic twinning programs, both at undergraduate and postgraduate levels, in engineering, technology and management in association with many reputed and accredited universities. Besides AIT, CCT, also runs Sushant School of Art and Architecture set up in Gurgaon about twenty years back to impart education in the field of architecture which inspires students to experiment, create and refine their ideas.

Sushil Ansal Foundation (SAF), set up in 2010 as a non-profit making company to carry out all philanthropic and charitable activities in the fields of education etc., provides funds and/or logistical support to institutions, organizations & others.

SAF has set-up a technical campus on 13.65 Acres developed land in Sushant Golf City at Lucknow in the name of 'Ansal Technical Campus'. The building complex as sanctioned and approved by LDA is already developed and is being made operational. The admissions to the Institute have started and it is going to be a center of excellence in the field of professional education.

Corporate Governance

I and your Board believe that good governance is a systemic process, which enables the Company to operate in a manner that meets ethical, legal and business expectations. Corporate governance seeks to maximize stakeholders' value legally, ethically and on a sustainable basis, while ensuring fairness to every stakeholder whether they are shareholders, customers, employees, investors, vendor-partners, or the community.

Your Board of Directors exercises its fiduciary responsibilities to enhance long-term stakeholder value through appropriate and timely business decisions. The management team is fully empowered to take the Company forward within the framework of effective accountability, which in turn enables the conversion of opportunities into achievements for the betterment of the Company as well as its stakeholders.

Your Company endeavors to constantly comply with and to continuously improve on corporate governance aspects with an overall view to earn the trust and respect of the investors, lenders and other stakeholders

Looking into the Future

Your Company endeavors to continue to focus on high growth markets in NCR as well as in other states of Northern India by expanding its existing townships and go for new townships and other residential/commercial projects to increase its returns and to achieve better realizations. Timely delivery and quality being the priorities, the Company intends to accelerate cash flows by monetizing its assets

from finished stock to sales and reduce the debt. In addition, it will continue to seek private equity participation and pursue other modes of fund raisings from the market to enhance its financial effectiveness.

Acknowledgement

I, on my behalf and on behalf of the Board of 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 gratefully acknowledge the confidence and faith reposed by the shareholders on the Board and the Management team which has, in my view, spurred the Company to take on more challenges

I also deeply appreciate the tireless efforts, hard work, dedication, competence, loyalty, cooperation and professionalism of the employees of the Company and its subsidiaries, at all levels, who have helped us to reach where we are now and look forward to the benefit and comfort of their association in the journey forward.

Thank you for your attention.

Sd/-
SUSHIL ANSAL
{CHAIRMAN}

Date : 24th September, 2011
Place: New Delhi