

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 46th {forty sixth} Annual General Meeting of the Company held on Friday, the 27th September, 2013 at New Delhi

Dear Shareholders,

It gives me great pleasure to extend a warm welcome to all of you at the 46th {forty sixth} Annual General Meeting of your Company. We are thankful to you today for sparing your valuable time and being here to participate in this Annual General Meeting.

The Directors' Report for the Financial Year ended the 31st March, 2013 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 would like to take them as read.

Before we continue, I would like to welcome Shri Prabhunath Misra, who has been elevated by your Board of Directors as Managing Director w.e.f the 9th August, 2013 in place of Shri Pranav Ansal who continues as Vice Chairman & Managing Director but is now a whole time director of the Company.

Shri Misra is an eminent bureaucrat (Retd.) with wide experience at various senior positions in the Government & Private Sectors. He has joined your Company as Executive Director (Business Development) in June 2005 and since then overseeing the entire projects/business of the Company in the State of Uttar Pradesh, which includes, very successful projects of Hi-tech townships of Sushant Golf City, Lucknow, Sushant Megapolis, Greater Noida and Integrated Townships of Agra, Aquapolis and Ghaziabad etc. His equally successful contributions in his new role, on a holistic level, will be very vital for the growth of your Company.

I would also like to express my personal appreciation to all the Directors, for their immense contributions in guiding the affairs of the Company. On behalf of the Company, I would also like to place on record, our deep sense of admiration for the most valuable services rendered by Shri Vijay Jindal, during his tenure as Joint Managing Director, who has resigned from the directorship of the Company with effect from the 31st August, 2013 but continues to be associated with us.

At this stage, I am happy to say that your Company has completed 46 years of existence with your continued trust, encouragement and support. I and my revered father, Late Lala Chiranjiv Lal Ansal, had dreamt of enriching the lives of our brethren by creating world class real estate solutions and redefining lifestyle standards. Quite aptly, we are headed towards this direction.

A proud moment this year was the recognition of our education initiatives as "**Outstanding Higher Education Leader**" by SOE Global Education Awards for the year 2012. Moreover, Green Escape, Sonapat Project of your Company has been conferred the title of "**Best Residential Apartment**" By NDTV Property Awards 2013.

Before, I present the highlights of your Company's performance during the FY 2012-13, it would not be out of place to share with you briefly the details of the global and domestic economic environment that prevailed during the financial year as these had strong implications for the Real Estate Sector's performance

ECONOMIC OUTLOOK - INDIA'S ECONOMIC CHALLENGES

Five years after the outbreak of the global financial crisis, the world economy continues to remain fragile. The Indian economy demonstrated remarkable resilience in the initial years of the contagion but finally lost ground last year. For the Indian economy, Financial Year 2012-13 was a challenging year. GDP growth declined to 5% from 6.2% in the previous year on account of high fiscal deficit, high inflation, worsening current account deficit and slow down in global economic growth.

With the global macro-economic environment remaining challenging, the Indian economy has shown downslide and the recovery possibly would remain shallow and no quick turnaround could be expected in near future. With recent reforms restoring investor confidence to some extent and attracting capital inflows, a slightly improved economic outlook is expected, starting from the second half of FY 2013-14. The current GDP forecast calls for growth accelerating to 6.1% in FY 2013-14 and 6.9% in FY 2014-15.

REAL ESTATE SECTOR IN INDIA

All of you are aware that the real estate sector in India has great implications. This sector in India drives the infrastructure activities that fuel to a large extent the economic growth engine of the Country.

Currently, however, Global economic uncertainties have affected India's economy, including the real estate market. Overall, Financial Year 2012-13 had witnessed downward trends for real estate. Slowing Indian Economy, rising inflation, and interest rates, increasing land and construction material cost and construction labor shortage had impacted demand and supply in almost every segment of real estate during the year.

On the positive side, the Indian real estate sector promises to be a lucrative destination for foreign investors into the country due to fall in value of rupee. The Indian real estate sector if channelized properly, could catapult the growth of several other sectors in India through its backward and forward linkages.

Looking into the future, with better practices which will be good both for the Sector and the consumers, the outlook is encouraging.

Pertinently, a far reaching legislation, the Real Estate (Regulation and Development) Bill, 2013, as approved by the Union Cabinet recently has been introduced in the Rajya Sabha & referred to the Parliamentary Standing Committee for review and making suggestions. The Bill provides for a uniform regulatory environment, to protect consumer interests, help speedy adjudication of disputes and ensure orderly growth of the real estate sector and has been much awaited.

With the passing of the Land Acquisition, Rehabilitation and Resettlement Bill, 2013 by Parliament, a new chapter on the subject of land acquisition will begin in our country. This will replace the age old Land Acquisition Act 1894, which is

termed as antiquated and out of sync with the times. It is apprehension that the new law will not only increase the cost of land but the process of acquiring land will also take more time.

Your Company is also gearing itself to derive benefits of the emerging Trends and opportunities.

OVERVIEW OF THE COMPANY'S PERFORMANCE IN FY 2012-13

Financials

Undoubtedly, it was a difficult year for the real estate sector in India. The industry was most affected by the high cost of capital and a virtual freeze in availability of finance.

The Net Profit for the Financial Year ended 2012-2013 of your Company stood at Rs. 4.76 crores on a consolidated basis, compared to Rs. 5.10 crores of Financial Year 2011-2012. The total income in Financial Year 2012-13 stood at Rs. 1240.99 crores on a consolidated basis, as against Rs. 1172.46 crores in Financial Year 2011-12.

Net Profit for the Financial Year 2012-13, on standalone basis, increased by Rs 9.68 crores to Rs. 44.26 crores from Rs. 34.58 crores in the previous Financial Year 2011-12. This represents 4.19% and 3,27% of the total income for the Financial Year 2012-13 and 2011-12, respectively.

Dividend

Keeping in view slow down of economic situation as a whole in the Country and real estate industry in particular, and the need of your Company to employ the funds back into the operations and to reduce debt burden of the Company, Board of Directors of your Company had decided that no dividend be recommended for the FY 2012-13.

OVERVIEW OF YOUR COMPANY

You are already aware that, your Company has significant presence in North Indian States i.e. Uttar Pradesh, Haryana, Rajasthan and Punjab.

Your Company along with associate companies have range of real estate business verticals such as Hi -Tech and Integrated Townships, Condominiums/ Group Housings, Malls/ Shopping Complex, Hotel, and Clubs. The Company has at present projects under various stages of implementation. The majority of the projects are located in the NCR, the States of Uttar Pradesh, Haryana, Rajasthan and Punjab. The Company has 18 integrated townships, including two Hi-Tech Townships.

Your Company has total land reserve of about ~ 9700 acres out of which about ~40% is in NCR. The Company intends to take advantage of India's increasing urbanization by investing in the development of townships on the peripheries of cities throughout northern India, and searching for opportunities to expand existing townships by purchasing and developing or by acquiring under joint development arrangements adjacent lands on the existing infrastructure. Majority of the total saleable area of about ~60% is reserved for residential development.

Your Company has till now developed and delivered about ~ 249 million square feet out of which ~ 57 million square feet is out of the current land reserves across various locations.

Your Company's is developing various integrated townships at Agra, Ajmer, Jaipur, Jodhpur, Meerut, Ghaziabad, Sonapat, Panipat, Ludhiana, Bhilwara & others. The facilities in these townships include health centres, shopping complexes, schools, parks, community centres, and many more.

Following are some of the important projects currently under development and/or planning in various stages on our own or through various associates/subsidiaries, joint venture partners and collaborators:-

- ❖ Sushant Golf City, Modern Hi-Tech Township in Lucknow
- ❖ Sushant Megapolis-Green Hi-Tech Township, Adjoining Greater Noida
- ❖ Integrated Townships- Golf Link-I and II, Mohali
- ❖ Green Township of Tomorrow "Esencia", Gurgaon
- ❖ Integrated Township - "Aquapolis", Ghaziabad

Commercial & Retail

The commercial real estate values across several key micro markets in India continue to be 15-30 percent down as compared to their peak levels in 2007-08. The general slowdown and subdued job growth in the IT sector, which was at its lowest quarterly level so far is likely to hold back demand for commercial and retail properties. Your Company's commercial real estate business includes developing and constructing high rise office blocks and IT/ITES parks. Commercial space offerings are a mix of "built to suit" offices, customized facilities and pure multi-tenanted facilities.

Hospitality

Built on the foundations of its image in real estate; your Company's foray into the hospitality segment, through its associate Company's, has elevated luxury standards to high levels which could be very well illustrated by the Country Inn & Suites at Ajmer.

The Maple Town & Country Club is now on its way to becoming one of the exclusive destinations in townships. Presently the group has four operational clubs in Gurgaon, Ajmer, Jaipur & Lucknow. The work on the clubs in Mohali & Panipat has started and these clubs are expected to open within next two years.

CORPORATE SOCIAL RESPONSIBILITY {CSR}

Your Company has always been a committed entity in working towards a social cause and meeting the societal expectations and thus moving towards a cooperative relationship. With this very notion in mind, we seek to extend its support towards community service with a public spirited approach by enhancing the quality of life in the field of healthcare, learning, and basic infrastructure facilities to the underprivileged. Through these CSR initiatives, we wish to create a community of goodwill thus enabling itself to reinforce a positive and socially amicable corporate entity.

We aim to actively contribute towards a healthy and harmonious environment in the society and communities around its areas of operation. This allows us to enhance corporation from the society we cater.

The concept of CSR has now achieved statutory recognition through the new Companies Act 2013 and your Company will also augment its endeavors in keeping with this law.

HOUSING FOR ECONOMICALLY WEAKER SECTIONS (EWS) OF THE SOCIETY

More than three thousand plots for Economically Weaker Sections of the society, in townships of the Company, in the process of development. The plots were allotted through open public lottery system at highly subsidized rates with easy interest free installments. More than 3000 affordable homes are being developed in the projects in Uttar Pradesh and Rajasthan and it is also proposed to further add to above tally of dwelling units in the affordable housing category in the next few years.

EDUCATION

a. Chiranjiv Bharti School, Gurgaon

Your Company, under the aegis of Chiranjiv Charitable Trust (CCT), set up in 1976, currently runs two schools, in Gurgaon, in Palam Vihar and Sushant Lok respectively. Currently over 3000 students are studying in these schools. CCT has set up schools and institutions in Delhi NCR & Lucknow.

b. Ansal Institute of Technology, Gurgaon

CCT also has the distinction of setting up Ansal Institute of Technology, situated at Gurgaon, which has become Ansal University in the year 2012 under The Haryana Private Universities Act 2006. The University provides higher quality education with global perspective.

The University has established eight schools with a focus on Architecture, Design, Engineering & Management supported by Applied Sciences, Computer Applications, Humanities, Languages & International Studies.

More than 700 students in different programmes were admitted in the session 2012-13, which is a testimony to the acceptance of the quality education being provided by Ansal University.

The students having gone through the transcendental education model have come to the international benchmarks of quality education and are fast turning into all-rounded professionals for holistic perspective towards industry and academics.

Some of the focussed areas of the University for the coming years would be media studies, fashion & design and legal studies.

c. Ansal Institute of Technology, Lucknow (AIT)

Ansal Institute of Technology and Management (AITM) at Sushant Golf City, Lucknow has been set up by the Sushil Ansal Foundation. Affiliated to Gautam

Buddh Technical University, Lucknow, it is one of the premier institutions in the field of technical and management education. The objective of the institute is to generate creative professionals, who can contribute not only to the human resource development but also to the Nation building exercise.

RESOURCES CONSERVATION

Your Company recognizes the correlation of business sustainability with resources management and is committed to monitor and conserve the amount of water and electricity used across its project sites at the time of construction. Your Company organises various camps and has been anchoring green initiatives on a regular basis. The projects have integrated environment protection, up gradation, conservation, water harvesting, etc. and plantation of trees etc. as a part of the sustainable development.

DAY CARE CRÈCHE FACILITIES AT PROJECT SITES

Your Company, through an NGO- 'Mobile Crèches', ensures a healthy and secure childhood for children through quality day care programs aimed at holistic development. This further creates conducive conditions for women to work at the Company's project sites by providing them the necessary day care support for their children and providing opportunities for basic schooling skills.

COMMUNITY DEVELOPMENT INITIATIVES

Your Company strongly believes in contributing to and investing in communities in and around its project sites. Under this endeavour, several initiatives have made a lasting impact on the economic, environmental and social conditions of local people. Some such initiatives are:

- Tree plantations
- Adoption of villages connected to project sites of the Company
- Construction of roads, sanitation facilities and temples
- Provision of electricity
- Provision of employment
- Sponsorship of vocational training programmes
- Blood Donation Camps
- Provision of health facilities to poor people

HEALTHCARE

a. Ansal Diya Foundation- A Trust which has been established in 2013, to carry out philanthropic activities. Your Company, through this Trust, has been assisting primary school education to the underprivileged children from the slum clusters. It is also being planned to conduct regular basic healthcare facilities with assistance in medicines to those in need in villages that have no access to the hospital facility.

b. Shanti Sahyog: A NGO, Shanti Sahyog, is engaged in carrying out its free health care and vocational training programs in and around Delhi for more than the last six years. It caters to more than 850 families that reside in the nearby slum areas in areas in and around Kalkaji. It also doubles up as a vocational training centre where women are taught income generating skills by professional teachers such as tailoring, designing and embroidery to make them economically self reliant.

c. Village Kahma in Punjab: The welfare and social upliftment of this village and the surrounding areas has been undertaken through Kahma Welfare Committee, a non profitable organization set up for this purpose. This initiative has been in progress for decades. A hospital in Kahma–Hansraj Government Hospital has been set up. The Welfare Committee has been working well in providing medical support to the villagers of Kahma and adjoining villages with the support of your Company.

SENIOR CITIZEN HOME

A plot of 1000 sq. m. has long since been donated to establish a Senior Citizen's Home in Palam Vihar, Gurgaon. Free technical and engineering support was provided to build this home called Chiranjiv Karam Bhoomi. Several senior citizens have been and are staying in this home which is being run by Divya Chaya Trust comprising Smt. Kusum Ansal and other members of the Trust.

PROMOTION OF LITERATURE

In order to encourage Hindi writers and literature, SAMVAD – a literary charitable organization has been launched by us. SAMVAD provides an opportunity for creative writers where their literary works are discussed and analyzed. Our social and charitable initiatives have been going support for more than twenty years.

Kusumanjali Foundation, another social and literary initiative of your Company, a non-profit making company is also promoting literary works of budding writes in Hindi and other regional languages. The Foundation has recently awarded Annual Award titled "Kusumanjali Sahitya Samaan" to honour the creative writers, Shri Ramesh Dave for his contributions in Hindi and Prof Gopi Chand Narang for his contributions in Urdu. Every year the Foundation will, as enunciated, honour the literary works written in Hindi and other regional languages.

PROMOTION OF RELIGIOUS AND SPIRITUAL ACTIVITIES

Ethics and principles, which are immensely deep rooted in the philosophy of spiritualism and religious inclinations, are valued. Contributions have been made to religious and spiritual activities from time to time. An extended portion of Chhattarpur Temple in Delhi has been built. Earlier, a donation of five acres of land has been made to ISKCON, where a spiritual learning centre and the construction of temple are already in progress.

CORPORATE GOVERNANCE

I and your Board believe that, Corporate Governance is a system of rules, guidelines, practices and processes which not only enables the Company to operate in a manner that meets ethical, legal and business expectations, but also helps to maximise stakeholders' value on a sustainable basis.

Through good corporate governance your Company would be able to protect, augment and meet the trust and expectations of the members, customers, employees, suppliers, government agencies and the society. Your Company continues to follow the procedures and practices in conformity with the

Corporate Governance practices as stipulated by SEBI and in accordance with other good practices.

Your Board of Directors effusively support and endorse Corporate Governance practices adopted by your Company and continuously look towards to improve upon all times. .

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 to increase returns through economies of scale as well as entering into collaboration for new projects in order to conserve capital deployment in land aggregation and to achieve better realizations. The Company is also giving priority in completing and delivering the projects in the four States of Northern India (viz. Uttar Pradesh, Haryana, Rajasthan & Punjab) and build on the further saleable area in these states by expanding the existing townships. Your Company is endeavoring to accelerate its cash flows by monetizing its assets from the sale of finished stocks and also from the sale of /exit from non-core assets /slow moving investments to enable free up cash reserves and reduce the debt.

ACKNOWLEDGEMENT

I, on my behalf and on behalf of the Board of Directors of your Company, would like to express my earnest appreciation and thankfulness to:-

- all the regulatory authorities including SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies and the Depositories.
- all Bankers, Financial Institutions, NBFCs and Private Equity Investors , 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 recognize 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 would like to specially acknowledge the commitment and dedication of the entire Ansal API team working tirelessly to realize the corporate agenda for meeting stakeholder's aspirations and helping us in creating and sustaining a world class enterprise.

I seek your continued support in taking your Company to higher growth, success and innovation.

Thank you for your attention.

Date: 27th September, 2013
Place: New Delhi

SUSHIL ANSAL
{CHAIRMAN}