

ANSAL PROPERTIES & INFRASTRUCTURE LTD

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

CIN: L45101DL1967PLC004759

Chairman, Shri Sushil Ansal's Address to the Shareholders (Members) at the 47th {Forty Seventh} Annual General Meeting of the Company held on Monday, the 29th September, 2014 at New Delhi

Dear Shareholders,

On behalf of the Board of Directors, I extend a warm welcome to all of you at the 47th {Forty Seventh} Annual General Meeting of your Company. We are thankful to you 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, 2014 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.

I would like to express my personal appreciation to all the Directors, for their immense contributions in guiding the affairs of the Company.

Before, I present the highlights of your Company's performance during the Financial Year 2013-14, it would not be out of place to share with you briefly the details of the global and domestic economic environment that has prevailed during the financial year as it has strong implications for the Real Estate Sector's performance.

ECONOMIC OUTLOOK - INDIA'S ECONOMIC CHALLENGES

Global economic activity is expected to strengthen more in Financial Year 2014-15 on the back of some recovery in advanced economies. The slowdown in emerging economies comes at an inopportune juncture. After achieving unprecedented growth of over 09 per cent for successive years between 2005-06 and 2007-08 and recovering swiftly from the global financial crisis of 2008-09, the Indian economy has been going through challenging times that culminated in lower than 05 per cent growth of GDP for two consecutive financial years, i.e. 2012-13 and 2013-14.

However, the India has witnessed a turnaround after the first quarter of 2013-14, and the year ended with a current account deficit (CAD) of 1.7 per cent of GDP as against 4.7 per cent in 2012-13. The rupee gradually strengthened and the year ended with the exchange rate averaging 61 per US dollar in March 2014. Improvement is also observed on the fiscal front, with the fiscal deficit declining from 5.7 per cent of GDP in 2011-12 to 4.9 per cent in 2012-13 and 4.5 per cent in 2013-14. The corrections in fiscal and current account deficits augur well for macroeconomic stabilization.

REAL ESTATE SECTOR IN INDIA

India has its own unique and integral complexities, and doing business in this Sector is no exception to this fact. The Indian real estate sector has come a long way and is today one of the fastest growing markets in the World. The Indian construction market is expected to be the world's third largest by 2020. It is currently the fourth largest sector in the Country in terms of FDI inflows. Real estate contributes about 5 per cent to India's GDP. This Sector if channelized properly, could catapult the growth of several other sectors in India through its backward and forward linkages.

The role of the Government of India has been instrumental in the development of the Sector. Minister of Housing & Urban Poverty Alleviation has also emphasized the need to remove the 'mistrust' among the developers and buyers to enable the growth and development of real estate sector that has huge employment potential. The task of providing housing to all will

only be met by the joint efforts of government and private real estate developers. Real Estate Regulation Bill will bring more credibility to Real Estate Sector and the government is also keen to move the Bill for consideration in the Rajya Sabha in the forthcoming Winter Session of Parliament.

In union Budget 2014-15, the outlook for the real estate sector in Financial Year 2014-15 looks promising in view of various incentives declared under Union Budget and your Company is also gearing itself to derive benefits of the emerging Trends and opportunities.

OVERVIEW OF THE COMPANY'S PERFORMANCE IN FINANCIAL YEAR 2013-14

Financials

The Net Profit for the Financial Year ended 2013-14 of your Company stood at Rs. 5.95 crores on a consolidated basis, compared to Rs. 4.76 crores of Financial Year 2012-13. The total income in Financial Year 2013-14 stood at Rs. 1418.26 crores on a consolidated basis, as against Rs. 1240.99 crores in Financial Year 2012-13. This represents growth of approx. 15% in total income.

Net Profit for the Financial Year 2013-14, on standalone basis, decreased by Rs 30.73 crores to Rs. 13.53 crores from Rs. 44.26 crores in the previous Financial Year 2012-13.

As you are already aware the Board of Directors of your Company has decided that no dividend be recommended for the Financial Year 2013-14.

OVERVIEW OF YOUR COMPANY

You are already aware that, your Company has significant presence in North Indian States i.e. Uttar Pradesh, Haryana, Rajasthan, Punjab and Delhi, NCR. Your Company along with associate companies have range of real estate business verticals such as Hi -Tech and Integrated Townships, Condominiums/ Group Housings, Malls, Hotels and Clubs.

Your Company has Net land reserve of about ~ 8000 acres (post projects delivered as on 31st March 2014) out of which about ~40% is in NCR, which is to be used in next 10-15 years. 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. Your Company has till now has developed and delivered about ~ 270 million square feet out of which ~ 82 million (as on the 31st March 2014) square feet is out of the current land reserves.

Following are some of the major projects currently under development:

- ❖ Sushant Golf City, Modern Hi-Tech Township in Lucknow
- ❖ Sushant Megapolis-Green Hi-Tech Township, Adjoining Greater Noida
- ❖ Esencia – Green Township of Tomorrow in Gurgaon
- ❖ Green Escape – Sonapat
- ❖ Golf Link I and II – Integrated Townships in Mohali
- ❖ Orchard County, Mohali

Commercial, retail, & hospitality sectors are important in contributing towards the economic growth and your Company's commercial real estate business includes developing and constructing high rise office blocks and IT/ITES parks. Your Company's retail business model includes both the leasing and sale of retail developments. Your Company has developed number of modern shopping malls and other retail spaces under the "Ansal Plaza" brand name and also in the process of developing number of shopping malls in various cities, characterized by better design, high quality infrastructure as well as leisure and entertainment amenities such as multiplexes, food courts and restaurants.

NOTABLE ACCOLADES

You will also take immense pride in the fact that your Company has received the accolade of '**Outstanding Performance' in Real Estate Industry Award** at the 12th National

Convention and Real Estate Awards 2014 organized by National Real Estate Development Council (**NAREDCO**).

During previous years, your Company has been recognized for its exemplary performance and initiatives in diverse domains. I take this opportunity to share a few with you:

- Sushant Golf City, Lucknow project of the Company has been conferred the title of **"Best Project in Uttar Pradesh"** by Franchise India.
- **"Infra & Realty Sutra"** and **"Estate Avenues"** Award has been given to the Sushant Golf City, Lucknow project of the Company.
- The Institute of Economic Studies has selected your Company for its excellent performance in generating economic activities in the Real Estate Sector and has given Excellence Award. Shri Prabhunath Misra, Managing Director of the Company has been conferred the **"UDYOG RATTAN AWARD"** for excellence in professionalism.
- Green Escape, Sonapat Project of the Company has been conferred the title of **"Best Residential Apartment"** By NDTV Property Awards 2013.

CORPORATE SOCIAL RESPONSIBILITY {CSR}

Your Company has always been a committed organization to CSR. With this very notion in mind, the Company now seeks 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, your Company wishes to create a community of goodwill thus enabling itself to reinforce a positive and socially amicable corporate entity.

Your Board have constituted the Corporate Social Responsibility Committee (CSR Committee) comprising Shri Sushil Ansal as the Chairman and Shri Prithvi Raj Khanna, Dr. Ramesh Chandra Vaish and Dr. Prem Singh Rana, Non Executive and Independent Directors, as other members.

The relevant provisions of the Companies Act 2013, in this regard, are also being complied. The said CSR Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities.

As part of its existing CSR, your Company has since long supported the under-privileged and socially and economically backward sections of the society. Your Company collaborates with social, charitable and NGOs which are similarly engaged in pursuit of upliftment of under-privileged sections of the society. As a part of CSR activities, your Company, through its associates/Trust, has also ushered in the field of education and has built various Institutes and Schools. Various Institutes operational under the Ansal brand name have acquired the status of a University and is now called **"Ansal University"** under the Haryana Private Universities Act, 2006. It is dedicated to its mission to nurture scholars who will contribute to society by advancing knowledge and imparting it to new generations of students. Sushant School of Art & Architecture has been ranked at No. 5 amongst all the architectural colleges in the Country and as No 1 in the private architectural colleges, which is an outstanding achievement for the School and Ansal University.

Your Company also 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.

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.

COMPANY'S STRATEGY

Your Company endeavors to continue to focus on high growth markets in NCR as well as in other states of Northern India by consolidating 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) by consolidating 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.

In line with its motto of radically improving the lifestyle standards of people and the quality of life through creating state-of-the-art realty and infrastructure facilities and projects, your Company is committed to take on more and more challenging tasks in its area of operations with increased focus and dedication in the coming years.

ACKNOWLEDGEMENT OF SUPPORT

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 and 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 ladies and gentlemen!

Date: 29th September, 2014
Place: New Delhi

Sd/-
SUSHIL ANSAL
{CHAIRMAN & WHOLE TIME DIRECTOR}