

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 45th {forty fifth} Annual General Meeting of the Company held on Wednesday, the 26th September, 2012 at New Delhi

Dear Shareholders,

It gives me great pleasure to extend a warm welcome to all of you at the 45th {forty fifth} Annual General Meeting of your Company.

The Directors' Report for the Financial Year ended the 31st March, 2012 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 express my personal appreciation to all the Directors, for their immense contributions in guiding the affairs of the Company and gratitude to all of you for your continued support to the Company and its management. 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 Rahul C Kirloskar, during his long tenure as Non-Executive Director, who has resigned from the directorship of the Company with effect from the 16th May, 2012.

At this stage, I am happy to say that your Company has completed 45 years with your continued trust, encouragement and support. A dream, which was shared between our visionary co-founder Late Lala Chiranjiv Lal Ansal and me for enriching the quality of lives of people, has continuously, being realized through this professionally managed organization with interests in diverse aspects of real estate.

Before I present the highlights of your Company's performance during the FY 2011-12, 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

While the global macro-economic environment remains challenging, it also throws open new opportunities. Hit hard by global woes and domestic concerns, GDP growth for the FY 2011-12 stood at 6.9%, only marginally higher than the 6.7% growth seen in 2008-09, the year of the global economic crisis. The decline in growth was witnessed in almost all segments of the economy including real estate, agriculture, mining, manufacturing and construction. Worst affected is clearly the investment climate, reflecting a dampening of business sentiments and the pace of execution of various projects. Uncertainty about demand conditions, given the global outlook, and, it's likely infectivity effect, regulatory issues including environmental clearances and land acquisitions, have impacted investments. Other causative factors include an increase in interest rates to dampen high inflation and a slowdown in decision-making in various crucial areas.

However, very recently the Central Government has announced a slew of policy decisions notably permitting 51% Foreign Direct Investment {FDI} in multi brand retail, and enhancement of FDIs in broadcasting and aviation sectors etc. Coupled with other politically sensitive decisions of enhancement of diesel prices, capping of subsidized LPG cylinders per household etc, there is a clear signal that the Government is currently pushing the reform measures for giving a fillip to the economic growth. The stock exchanges have also reacted positively to such initiatives. Further, RBI in its recent review has cut cash reserve ratio by 25 bps, thus boosting liquidity for growth and likely ushering- in of an era of cheaper loans. It is expected that with the stability of such policy decisions more such economic reforms will be announced in next few months, which will improve the market sentiments and lead to greater growth of the economy.

Real Estate Sector in India

All of you are aware that the real estate sector in India is of great implication. This sector in India drives the infrastructure activities that are fuelling the economic growth engine of the Country.

Currently, however, Global economic uncertainties have affected India's economy, including the real estate market. Indian real estate sector's outlook in FY 2012-13 is expected to be not very robust due to overall demand and higher construction costs, which are likely to continue to squeeze margins. High prices and interest rates have been some dampeners. On the other hand, on the positive side, improved macro-economic conditions leading to improved demand would have the potential to improve cash flows to real estate companies and see the outlook revised to stable. Moreover, with the opening up of the FDI in multi brand retail, the demand for retail space from foreign investors along with Indian partners could rise and be beneficial for the sector as a whole. With the commercial banks told, recently, by the Government to fund residential projects on a priority basis, and, cheaper home loans in the offing, growths in the short and long terms are clear possibilities. Your Company is also gearing itself to derive benefits of the emerging trends and opportunities.

Overview of the Company's Performance in FY 2011-12

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 FY 2011-12 of your Company stood at Rs 5.10 crores on a consolidated basis, as against Rs. 108.05 crores in the FY 2010-11. The total income for the FY 2011-12 stood at Rs. 1172.46 crores on a consolidated basis, as compared to Rs. 1300.27 crores for FY 2010-11.

The Net Profit for the FY 2011-12 on standalone basis decreased by Rs. 41.57 crores to Rs. 34.58 crores from Rs. 76.15 crores in the FY 2010-11.

Dividend

Keeping in view slow down of economic situation as a whole in the Country and real estate industry in particular, and 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 2011-12.

Overview of your Company

Your Company has at present projects under various stages of implementation across residential, commercial, retail and hospitality segments, as well as SEZs, IT/ITES and industrial parks, and, 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 18 integrated townships, including two Hi-Tech Townships.

The Company has extensive Land Reserves of approx 9700 acres out of which about ~40% is strategically located in the NCR and the rest are in the key cities in the States of Uttar Pradesh, Haryana, Rajasthan and Punjab. Majority of the total saleable area of about ~60% is reserved for residential development.

Your Company has till now developed and delivered about ~ 238 million square feet out of which ~ 46 million square feet is out of the current land reserves across various locations.

Your Company has launched several projects during the year totalling an area of ~ 12.08 million sq. ft. and sold a total of ~ 22.69 million sq. ft., spread out over the four quarters. Clearly, the strategy of developing a wide range of product on our land bank with a focus on affordable housing is continuing to succeed in the market.

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

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

Your Company is developing a Hi-Tech Residential Township, Sushant Golf City in Lucknow, Uttar Pradesh sprawling across 3530 acres of land. This ultra modern township offers wide range of world class facilities. It has about 393.45 acres of land dedicated only to greenery with a world class 18 hole Golf Course and hence this Mega Township makes life on the greens a reality. The development and construction operations, within the township, are in full swing which has given recognition to the Company as a master developer engaged in the creation of big townships. Your Company has given possession of about 1044 residential plots and about 119 built up units in the financial year. About 13.73 mn. sq ft have been sold till currently. The township has potential for further extension in view of the noteworthy public response.

Hi-Tech Township – SUSHANT MEGAPOLIS, Dadri

Sushant Megapolis is a green Hi-Tech Residential township being developed on an area admeasuring 2504 acres under the brand "SUSHANT MEGAPOLIS" having saleable area of about 77 million square feet as per the current norms. About 0.68 mn. sq ft have been sold till currently.

3 With the canal network and vast greens, this township is coming up as self sustaining urban development in the vicinity of Greater Noida, an area of

excellence. Sushant Megapolis Offers a wide range of commercial, residential properties and advanced academics facilities. Sushant Megapolis is NCR's principal self-contained integrated township by its size.

Integrated Township – Esencia, {Gurgaon}

"Esencia" is an integrated township project, in sectors 67, Gurgaon, based on the objective of creating eco-friendly efficient, water efficient, comfortable and healthy and environmentally sustainable living. This township has world class facilities and has been registered as the pilot project for rating under GRIHA (Green Rating for Integrated Habitat Assessment) in India.

Esencia has been envisaged and designed to create a balance between modern and environmentally conscious living. It offers a lifestyle as a part of a green evolution. This township will offer many leisure and recreational facilities. This Project is expected to be another landmark in gated community development by the Company. About 0.52 mn. sq ft have been sold till currently.

Integrated Township – Ghaziabad (Aquapolis)

Your Company is developing an integrated township spread over an area of 140 acres in Ghaziabad namely "Sushant Aquapolis". It comprises of flats, residential plots as well as plots for hospitals, schools, nursing home and commercial centers. In addition to this other facilities vis-a-vis school nursing home, local shopping centre and ansal plaza mall are also lined up for development. Aquapolis will provide latest world-class designs with all the amenities. About 0.02 mn. sq ft have been sold till currently.

Integrated Township – Golf Link, {Mohali}

Your Company is developing two integrated townships in Mohali, {Punjab}. First Township is Golf Links I, spread in 224 acres and situated in Sector 114, where the Company is already giving possession of plots, independent floors, and commercial. The second Township is Golf Links II, spread over 103 acres and situated in Sector 116 where the development work is going on at a fast pace and the Company will reach a possession giving stage by next year. About 1.27 mn. sq ft have been sold till currently.

In the coming months, your Company will be launching Infinity Towers & Ansal Plaza Mall at the entrance to Golf Links I, both the projects will be crowing jewels of the Sector and will make the area a destination point.

Commercial & Retail

Where housing sector is contributing 5-6% towards the GDP of the Country; the commercial and retail sectors are not far behind. 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. In the past, the Company had sold out its units in retail segment, generally prior to construction completion on installment sales. For future, the Company is planning to retain ownership of many of the retail developments. Notwithstanding 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.

Hospitality

In this field currently the group is working on majorly 3 arms- Hotels, Clubs (The Maple Town & Country Club) and Bake House (The retail format of Bakery & Confectionary shops & Cafes). As a venture in hotels, Ajmer Country Inn & Suites has become a landmark destination in Ajmer.

Corporate Social Responsibility

Dear shareholders, while business considerations are important for all of us, we cannot and should not remain oblivious to the need to protect our Environment and promote the welfare of society at large. Your Company firmly believes that true growth is not selective, but inclusive and businesses that flourish over long periods of time have ingrained this philosophy in their work culture.

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.

Kusumanjali Foundation, a non-profit making company is also promoting literary works of budding writers in Hindi and other regional languages. The Foundation has recently instituted an annual award titled "Kusumanjali Sahitya Samaan" to honor the creative writers, under which it has recently felicitated literary contributions of two eminent writers, one each in Hindi and Tamil.

Community Development Initiatives

Your Company recognizes the correlation of business sustainability with community development. Your Company strongly believes in contributing to and investing in communities in and around its project sites. Under this objective, several initiatives have made a lasting impact on the economic, environmental and social conditions of local people such as:

- Tree plantation
- Construction of roads, sanitation facilities and temples
- Provision of electricity
- Provision of employment
- Sponsorship of vocational training programs
- Blood Donation Camps
- Provision of health facilities to poor people
- Environment protection based projects.

Education/ School

The Chiranjiv Charitable Trust (CCT), set up by the Ansals in 1976, currently runs schools in Palam Vihar and Sushant Lok in Gurgaon. Currently over 6000 students are studying in these schools. 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.

The Trust is also in the process of setting up a large number of schools in the upcoming townships of the Company in the state of Uttar Pradesh, Haryana, Rajasthan and Punjab, which will provide quality education. CCT had also promoted the Ansal Institute of Technology (AIT) in Gurgaon in the year 2000.

Besides AIT, Chiranjiv Charitable Trust also runs Sushant School of Art and Architecture and Sushant School of Design.

The Institutes run under the Ansal brand name has recently acquired the status of a University and is now called "Ansal University" under the Haryana Private Universities Act, 2006. This is the only University to offer a two-year program in real estate development.

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.

Corporate Governance

I and your Board believe that good governance is a systemic process, which guides the Company's directions such that it can fulfill its goals and objectives in a manner that adds to the value of the Company and is also beneficial for all stakeholders in the long term whether they are shareholders, customers, employees, investors, vendor-partners, or the communities affected by the corporation's activities. 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 stakeholders confidence.

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. 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 will accelerate its cash flows by monetizing its assets from finished stock sales and sale /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 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 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 team working tirelessly to realize the corporate agenda for meeting stakeholder's aspirations and helping us in creating and sustain a world class enterprise.

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

Thank you for your attention.

-sd-
SUSHIL ANSAL
{CHAIRMAN}

Date: 26th September, 2012

Place: New Delhi