

ANNUAL REPORT 2010-11

RESIDENTIAL

TOWNSHIPS
COMMERCIAL



HOSPITALITY
RESORTS
HOTELS

• RETAIL •

SEZ

ANANT RAJ INDUSTRIES



BUILDING AHEAD

ANANT RAJ INDUSTRIES LIMITED

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ANANT RAJ HAS ENTERED TOMORROW. IT'S A DEFINING MOMENT AT ANANT RAJ. THE DECISIONS OF 2010-11 HAS USHERED ANANT RAJ INTO THE NEXT PHASE. ANANT RAJ IS BUILDING AHEAD FOR STRONGER, SUSTAINABLE AND SUPERIOR GROWTH. WE BELIEVE WE HAVE CHANGED GEARS.

BUILD ON THIS:

ADDING LAND BANK

After a gap of 3 years, we have made a significant addition of 218 acres land in 2010-11. Building ahead on our power of focus, we did not move beyond the NCR. The entire new land bank is in Gurgaon, Manesar, Sonapat, Neemrana and Delhi.

RENEWED FOCUS-RESIDENTIAL

We are bullish on NCR residential. Of the 10.7 million sq. ft. and 2.8 lac sq. yards for plotted development we added in 2010-11, 9.7 million sq.ft. and 2.80 lac sq. yard for plotted development was residential. We bought great ready-to-develop residential land bank at the trough of real estate cycle. We will build across luxury (Hauz Khas and Bhagwan Das Road), mid-income (Kapashera and Gurgaon) and affordable segments (Manesar, Sonapat and Neemrana).

STRONG EXECUTION

We are building aggressively ahead. We will execute over 3 million sq. ft. of commercial real estate in the next 36 months and 1.35 lac sq. yards for Industrial Plots Development.

We are also building ahead 10 million sq. ft. of residential real estate in the next 48 months and 2.80 lac sq. yards for plotted development. Expect superior and sustainable revenue growth in the next 48 months.

HIGH ANNUITY INCOME

We lease our commercial real estate. We expect our lease income to double in the next 24 months. Besides, as we execute more commercial expect strong annuity cash flows hereon.

STRONGER CASH FLOW

As we build more, lease more and sell more, we are building the foundation for the next phase of growth in free cash flow. Expect stronger balance sheet.

AND AN EVEN STRONGER ANANT RAJ.

BUILDING AHEAD



The largest and most prominent land bank in NCR. The power of focus.

AFTER A GAP OF 3 YEARS, WE HAVE MADE A SIGNIFICANT ADDITION OF 218 ACRES IN 2010-11. BUILDING AHEAD ON OUR POWER OF FOCUS, WE DID NOT MOVE BEYOND THE NCR. THE ENTIRE NEW LAND BANK IS IN GURGAON, MANESAR, SONEPAT, NEEMRANA AND DELHI.



- Hotels / Resorts / Entertainment
- Residential
- Commercial / Retail
- IT / SEZ / Logistic Park

NEW LAND BANK ACQUIRED IN 2010-11

Location	Area in Acres	Developable Area (in Million Sq. Ft.)
Gurgaon -Sector-91	15.50	1.50
Gurgaon		
TOWNSHIP		
Residential Plotted Development (saleable area 2,80,000 sq. yards - plotted development)	106.60	2.52
Commercial	11.35	1.00
Residential	43.00	3.93
Manesar	12.45	1.20
Rai- Sonapat	10.00	1.00
Neemrana	18.00	1.80
1/2 portion at Bhagwan Das Road, New Delhi	1.50	0.26
	218.40	13.21



The new land bank takes Anant Raj into the next orbit. On execution, this has a revenue potential of Rs. 60 - Rs. 70 billion in five years.

In our business, land bank is equivalent of visibility. Visibility of revenues, visibility of profits and most importantly, visibility of cash flows. Caveat for shareholders though - the land bank has to be prime, bought at the right price, and should be ready for development.

That's where our essence lies.

We resisted the temptation to buy land when everyone was buying. Infact, we sold some. We believe that land should be bought at the right price, else you may still build what you want to, but it may not generate superior cash flow. Buying land at right location is also important. We take our time. And because we are focused only on NCR, we believe we have not made expensive mistakes on land acquisition.

In 2010-11, we bought 218 acres of land totalling 13 million sq. ft. and invested Rs. 837 cr. We believe we have bought very prime land. This land will be executed in the next five years.

BUILDING AHEAD

With a renewed focus,
residential is leading the next
phase of growth at Anant Raj

WE ARE BULLISH ON NCR RESIDENTIAL. OF THE 10.7 MILLION SQ. FT. AND 2.80 LAC SQ. YARDS FOR PLOTTED DEVELOPMENT WE ADDED IN 2010-11, 9.7 MILLION SQ. FT. AND 2.80 LAC SQ. YARDS FOR PLOTTED DEVELOPMENT WAS RESIDENTIAL. WE BOUGHT GREAT READY-TO-DEVELOP RESIDENTIAL LAND BANK AT THE TROUGH OF REAL ESTATE CYCLE. WE WILL BUILD ACROSS LUXURY (HAUZ KHAS AND BHAGWAN DAS ROAD), MID-INCOME (KAPASHERA AND GURGAON) AND AFFORDABLE SEGMENTS (MANESAR, SONEPAT AND NEEMRANA).



We stayed away from residential for the last few years. We had our reasons. One, the land prices for ready developable had risen so high that it did not make ROI sense. Two, where land prices were attractive, either we did not believe in the location or the land was under litigation.

2010-11 was the right time to re-enter residential. Land prices had corrected significantly to ensure we could price the developments right which allowed us to pre-sell and sell fast. All land we bought is approved for development and we enter execution immediately. In the next five years, this investment of Rs. 8 billion, if markets remain steady (which we believe so), will yield between Rs. 60 - Rs. 70 billion as sales with 40% plus EBDITA margins, ensuring 40% plus ROI.

We bought land across the best NCR location. This makes us a complete residential player. We are building luxury high-end residences at Hauz Khas and Bhagwan Das Road, mid-end lifestyle residences in Gurgaon and Kapashera and affordable residences at Manesar, Sonapat and Neemrana.

BUILDING AHEAD

Execution is in full swing.
Superior execution,
faster cash flow.

WE ARE BUILDING AGGRESSIVELY AHEAD. WE WILL EXECUTE OVER 3 MILLION SQ. FT. OF COMMERCIAL REAL ESTATE IN THE NEXT 36 MONTHS AND 1.35 LAC SQ. YARDS FOR INDUSTRIAL PLOTS DEVELOPMENT. WE ARE ALSO BUILDING AHEAD 10 MILLION SQ. FT. OF RESIDENTIAL REAL ESTATE IN THE NEXT 48 MONTHS AND 2.80 LAC SQ. YARDS FOR PLOTTED DEVELOPMENT. EXPECT SUPERIOR AND SUSTAINABLE REVENUE GROWTH IN THE NEXT 48 MONTHS.



Residential Project at Kapashera,
New Delhi – 0.30 million sqf.