

14th September, 2020

Script Code : ANSALAPI
National Stock Exchange
of India Ltd
Exchange Plaza,
Bandra-Kurla Complex,
Bandra (East)
Mumbai - 400 051

Script Code: 500013
BSE Limited
25th Floor,
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai - 400 001

Reg: (I) Un-Audited Financial Results for the 01st quarter ended on the 30th June, 2020 of the Financial Year 2020-21.

(ii) Outcome of the Board Meeting dated the 14th September, 2020 (i.e. today), concluded at 05:40 P.M.

Ref: (I) Regulations 30 and 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

Dear Sir/Madam,

Pursuant to the compliance of Regulations 30 and 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended, please find enclosed herewith the following:-

- 1) The Un-Audited Financial Results (Standalone and Consolidated) for the 01st Quarter ended on the 30th June, 2020 of the Financial Year 2020-21 duly approved by the Board of Directors at their meeting held on the 14th September, 2020 (i.e. today) as **Annexure I.**
- 2) Copies of Limited Review Reports (Standalone and Consolidated) submitted by the Statutory Auditors of the Company, M/s S.S Kothari Mehta & Company, Chartered Accountants, on the Un-Audited Financial Results for the 01st Quarter ended on the 30th June, 2020 of Financial Year 2020-21 as **Annexure II.**

In regard to the outcome of the Board Meeting, please be informed that the Board of Directors at its meeting held today i.e. 14th September, 2020, has considered and approved the Appointment of Mr. Dinesh Chander Gupta (DIN: 00840629), who is a Chief Executive Officer of the Company, as an Additional Director of the Company, designated as Whole Time Director and Chief Executive Officer, for a term of 3 {Three} years, w.e.f. the 14th September, 2020. Also note that he is not debarred from holding the office of director pursuant to any SEBI's Order or any other authority and his appointment shall be subject to the approval of shareholders at the next general meeting, in terms of the applicable provisions of the Companies Act, 2013 and rules framed there under and Listing Regulations.

Ansal Properties & Infrastructure Ltd.

(An ISO 14001 : 2004 OHSAS 18001 : 2007)

115, Ansal Bhawan, 18, Kasturba Gandhi Marg, New Delhi-110 001

Tel.: 23353550, 88302268 / 69 / 70 / 72

Website: www.ansalapi.com

CIN: L45101DL1967PLC004759

Email: customercare@ansalapi.com TOLL FREE NO. 1800 266 5565



Profile: Shri Dinesh Chander Gupta is an eminent professional with over 23 year of experience with various key achievements such as Land acquisitions, various settlements, fund raising and also managing various legal matters. He has done B.Com Hons from Delhi University with specialization In Direct Taxes and the Financial Management and PGDM with Finance and Marketing Specialization:

This is for your information and record please.

Thanking you.

Yours faithfully,

For **Ansal Properties & Infrastructure Ltd.**



(Abdul Sami)
General Manager (Corporate Affairs)
& Company Secretary
M. No. FCS-7135



Encl: a/a

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ANSAL PROPERTIES & INFRASTRUCTURE LTD.

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2020

(Rs In Lakh)

Sl.No.	Particulars	STANDALONE				CONSOLIDATED			
		Quarter ended		Year ended		Quarter ended		Year ended	
		30/06/2020 (Unaudited)	31/03/2020 (Audited)	30/06/2019 (Unaudited)	31/03/2020 (Audited)	30/06/2020 (Unaudited)	31/03/2020 (Audited)	30/06/2019 (Unaudited)	31/03/2020 (Audited)
I	Income								
	(a) Revenue from operations	7,379	23,387	20,071	79,439	9,696	39,617	24,192	1,11,746
	(b) Other Income	46	387	266	1,645	68	1,061	312	2,779
II	Total Income	7,425	23,784	20,337	80,863	9,732	40,698	24,504	1,14,525
III	Expenses								
	(e) Consumption of Materials Consumed/ construction cost	4,862	22,784	13,164	68,078	5,168	33,990	14,032	73,623
	(b) (Increase)/decrease in stock-in-trade and work in progress	(68)	1,406	1,476	2,967	(68)	1,406	1,476	2,967
	(c) Employees benefits expense	256	305	434	1,416	371	608	681	2,285
	(d) Finance Cost	1,901	1,888	2,607	9,064	3,615	6,689	4,090	17,277
	(e) Depreciation and amortization expense	32	68	41	230	677	689	666	2,992
	(f) Other Expenditure	868	7,176	2,622	19,639	2,662	11,608	6,662	34,139
IV	Total Expenses	7,840	33,629	20,243	90,293	12,126	63,760	27,468	1,32,763
V	Profit/(Loss) before exceptional items and tax (II - IV)	(415)	(9,845)	94	(9,310)	(2,393)	(13,062)	(2,964)	(18,238)
VI	Exceptional items								
	Provision for impairment in value of investments	-	9,132	-	9,132	-	7,106	-	7,106
VII	Profit/(Loss) before taxes (V-VI)	(415)	(18,977)	94	(19,442)	(2,393)	(20,166)	(2,964)	(26,344)
VIII	Tax expenses								
	-Current Tax	-	-	171	-	48	(1)	172	0
	-Deferred Tax	(36)	2,185	(343)	1,893	64	984	(116)	626
	-MAT	-	(120)	-	-	1	(172)	-	-
	-Tax pertaining to earlier years	-	26	-	49	1	11	87	127
	Total Tax	(36)	2,090	(172)	1,932	104	822	144	782
IX	Profit/(Loss) after Tax (VII-VIII)	(379)	(21,067)	266	(20,374)	(2,498)	(20,990)	(3,128)	(26,096)
X	Share of Profit/(loss) in Associates/Joint ventures	-	-	-	-	(2)	(16)	(4)	(18)
XI	Net Profit/(Loss) for the period (IX+X)	(379)	(21,067)	266	(20,374)	(2,499)	(20,999)	(3,132)	(26,115)



Sl.No.	Particulars	Quarter ended		Year ended		Quarter ended		Year ended	
		30/06/2020 (Unaudited)	31/03/2020 (Audited)	30/06/2019 (Unaudited)	31/03/2020 (Audited)	30/06/2020 (Unaudited)	31/03/2020 (Audited)	30/06/2019 (Unaudited)	31/03/2020 (Audited)
XI	Profit/(Loss) attributable to: Owner of the Company	(379)	(21,057)	266	(20,374)	(2,098)	(20,526)	(2,398)	(24,120)
XIII	Non controlling Interest	-	-	-	-	(401)	(470)	(734)	(1,995)
	Other Comprehensive Income / (Loss) (net of tax)	0	(974)	(17)	(968)	(0)	(635)	(16)	(528)
XIV	Total Comprehensive Profit/ (Loss) for the period (Comprising Profit/ (Loss) (after tax) and Other Comprehensive Income (XI-XIII))	(379)	(22,041)	249	(21,342)	(2,500)	(21,631)	(3,148)	(26,644)
XV	Total Comprehensive Income/(Loss) for the period (Comprising Profit / (Loss) (after tax) and Other Comprehensive Income attributable to: Owner of the Company Non controlling Interest	(379)	(22,041)	249	(21,342)	(2,098)	(21,061)	(2,414)	(24,649)
XVI	Paid up Equity Share Capital (Face value of Rs 5 per equity share)	7,870	7,870	7,870	7,870	7,870	7,870	7,870	7,870
XVII	Reserves excluding Revaluation Reserves as per balance sheet of the previous accounting year	-	-	-	13,106	-	-	-	(19,292)
XVIII	Earning Per Share (EPS) (Rs.) (not annualized) Before Extraordinary Items								
	(a) Basic	(0.24)	(13.38)	0.17	(12.94)	(1.33)	(13.04)	(1.52)	(16.32)
	(b) Diluted	(0.24)	(13.38)	0.17	(12.94)	(1.33)	(13.04)	(1.52)	(16.32)
	After Extraordinary Items								
	(a) Basic	(0.24)	(13.38)	0.17	(12.94)	(1.33)	(13.04)	(1.52)	(16.32)
	(b) Diluted	(0.24)	(13.38)	0.17	(12.94)	(1.33)	(13.04)	(1.52)	(16.32)



Notes:

- 1). The unaudited financial (Standalone and Consolidated) results for the Quarter ended 30th June 2020 have been reviewed by the Audit Committee and approved by the Board of Directors in its meeting held on 14th September, 2020. The said results are reviewed by the Statutory Auditors of the Company. These financial results are prepared in accordance with the Indian Accounting Standards (Ind As) as prescribed under section 133 of the Companies Act 2013, read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.
- 2).
- 3). Having regard to the integrated nature of real estate development business and the parameters of Ind AS 108 issued by Central Government under Companies (Indian Accounting Standards) Rules, 2015, the operations of the Company are within single segment .
- 4). The corresponding previous year /period have been regrouped, rearranged, and reclassified, wherever necessary.
- 5). During the period under review the Ansal Properties and Infrastructure Limited ("Company" or 'APIL') has not claimed any exemption under section 80 IA of the Income Tax Act, 1961. Exemption amounting to Rs. 34.48 Cr has been claimed up to the year ended 31st March, 2011 under section 80 IA of the Income Tax Act, 1961 being tax profits arising out of sale of Industrial Park units, pending the notification of the same by Central Board of Direct Taxes. The Competent Authority has not approved application of the Company. The Company has filed the Review Petition against the direction of Authority to reconsider its application. The Company has taken the opinion that the Review Petition, as filed, satisfies all the conditions specified under Industrial Park Scheme, 2008 being replaced under Industrial Park (Amendment) Scheme, 2010, hence, eligible for notification under section 80 IA (4) (iii) of the Act.
- 6). The matter regarding repayment of Public Deposits and Interest thereon is pending before the Hon'ble National Company Law Tribunal, North Delhi Bench on an application filed by the Company for appropriate extension or relief in the scheme of repayment already sanctioned by Hon'ble Company Law Board {CLB} vide their letter dated December 30, 2014 and April 28, 2016. The adjourned next date of hearing is 07-10-2020.
- 7). As per section 73(2) of the Companies Act 2013 read with Order of National Company Law Tribunal (NCLT) dated 30 December 2014, the Company is required to deposit at least 6% of the amount of Public deposits maturing during the next following financial years before 30 December 2019 and kept in a schedule bank in a separate bank account as liquid funds and shall not be utilized for any purpose other than repayment of Public Deposits. Accordingly, the Company has to deposit to Rs. 5.60 Cr with the Schedule Bank, however, the Company has applied before NCLT and has received the exemption till the financial year ending 2021 not to maintain such liquid assets.



8). Bank-wise details of notice under Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) and other details are as under :-

- a) In case of Bank of Maharashtra, the Company has entered into one time settlement (OTS) of Rs. 35.70 Crs. by depositing and has till date paid Rs.5.10 Crs. As per OTS, the Company has to make full payment by March'21. The Company proposes to pay the full amount to the Bank by selling the plots under DD/AY. Bank has filed a case in DRT & NCLT against the Company in this regard. The Company has approached the Bank to withdraw the cases. Next date of hearing in NCLT is 16-09-2020 & in DRT is 19-10-20.
- b) ILFS financial Services Limited ("IFIN") has filed an application in NCLT against the Company. The Company has proposed to pay Rs. 155. Crs. (which include the value of plots purchased by IFIN) to IFIN over a period of next 330 days. DMI Alternate Fund has agreed to purchase a few Golf Plots from the Company and that amount the Company has offered to IFIN as upfront payment. Part amount will be paid from receivables from FSI Buyers. The Company is in the process of finalizing and signing the Settlement Deed with IFIN. The next date of hearing is 25-09-2020.
- c) Allahabad Bank has in principle agreed to the Company's proposal for restructuring of outstanding loan which is Rs.103.60 Cr and has advised to reduce the outstanding by further Rs.4/5 crs approx. Since February, 2019, the Company has paid a sum of Rs. 4.04 Cr. to the Bank. The Case filed by the Bank in DRT is pending and next date is 20-10-2020.
- d) The Company had availed a loan of Rs. 7.00 Cr. from Bank of India for Bliss Delight Project, Lucknow, which has become NPA. The company is in the process of transferring the project to another Developer who is also taking over Bank's loan. The Bank has also filed the case in DRT.
- e) The Company is availing Working Capital facility - Funded Rs. 31 Cr. and Bank Guaranty facility of Rs. 19.50 Cr. from Jammu & Kashmir Bank. There are over dues of Rs.4.34 Cr. in the funded facility due to levy of interest and as such the account is classified as NPA. Out of these one of the facilities of Rs. 15.50 Cr. (Excluding interest due aggregating to Rs. 2.21 Cr) is against Havana Heights. The agreement to sell this project has been arrived at with buyers and as soon as NOC from Bank is received, full loan of Rs.17.71 Cr. will be repaid and balance of Rs. 17.63 Cr. will be regularized
- f) Ansal API Infrastructure Ltd. (AAIL), a wholly owned subsidiary company, has taken a loan of Rs. 390 Cr. from Pooled Municipal Debt Obligations Facility (PMDO) contributed by 15 lenders. The present principal outstanding is Rs. 273.82 Cr. plus overdue interest. The account is in NPA category. AAIL has given a proposal to PMDO to release a small part of the security against payment of approx. Rs.30 Cr. and the balance over a period of next 36 months. The matter was considered in the last Committee Meeting of PMDO and principally okayed it for the first part. Now in the next Committee meeting it may be approved.



Out of the fifteen lenders, the total outstanding loan of the corporation bank is Rs.12.53 Cr. which includes overdue interest of Rs.2.38 Cr. Corporation Bank has taken the Subsidiary Company to NCLT. The Corporation Bank had also filed a case in DRT which was dismissed. The company has paid a sum of Rs. 2 Cr. The next date of hearing is 29-09-2020.

- g) The Company has taken a loan of Rs. 45 Cr. and now the outstanding principal is Rs. 37 Cr. from Indian Bank, Lucknow, for construction of Golf Gateway Towers, Sushant Golf City, Lucknow. Due to change in height of the tower, FSI area of the project got reduced and therefore the Company has decided not to further construct the project. The Bank declared the loan as NPA. The Company has given proposal for One Time Settlement and on the advice of the Bank Company has deposited a sum of Rs. 3.70 Cr. being 10% amount of the outstanding principal amount and financial arrangement for remaining amount has already been tied-up. Due to delay in sanction of OTS by the Bank the buyer has withdrawn its proposal and accordingly the Company has withdrawn its OTS proposal from the Bank. Now the Company is considering other ways to settle with the Bank.
- h) The Company had availed a loan of Rs. 49.36 Cr. from Indian Bank for Fair view Project, of Ansal Hi Tech Township Limited which has become NPA and outstanding balance of such loan are Rs.43.02 Cr. as on June 30, 2020. The company had requested bank to restructure the loan.
- 9). The Company has received notices from UP RERA Authority for de-registering six projects out of 91 projects registered in Sushant Golf City, Lucknow. These notices are on the ground of a) not adhering of 70:30 sharing of Customer Collections, b) not providing the correct and complete information on the Web site of UP RERA in respect to these projects, c) not providing quarterly information to RERA Authorities. The Company has submitted a detailed reply and has undertaken to provide and upload all relevant quarterly information to RERA Authorities. The Company has RERA has put a fine of Rs. 1.00 Cr. and withheld its decision to deregister 6 properties. Subsequent to the year ended 31.03.20 RERA has again issued show cause notice relating to said 6 projects requiring Company to submit its reply /explanation within 15 days of the receipt of the said notice. Further, as per press release dated 2.9.2020, UP RERA has ordered for forensic audit of 3 Projects of the Company in Lucknow. Till date of this Board Meeting the Company has not received any communication in this regard from UP RERA.
- 10). IIRF India Realty Limited - II Fund "Foreign Investor" and IL & FS Trust Company Limited (acting as Trustee of IFIN Realty Trust) through its manager II&FS Investment Managers Limited "Indian Investor" had invested an amount of Rs. 79.34 Cr in Equity Shares and Compulsorily Convertible Preference Shares (CCPS) of Ansal Townships Infrastructure Limited, a subsidiary of the Company. The Company has purchased part of the investment i.e. 40.66% and remaining part is still pending. The Investor has invoked the arbitration clause in respect of its dispute. Meanwhile, the Company and the investor are trying to resolve it amicably outside the Court.
- 11). During the quarter ended 30 September 2018, the arbitration award in the matter of arbitration with Landmark group was pronounced. The award contemplates joint and several liability of four Companies of Ansal Group, including the Company, amounting to Rs. 55.78 Cr along with interest amounting to Rs.105.08 Cr. Ansal Group has filed the petition U/s. 34 of Arbitration & Conciliation Act in the High Court to challenge the Award including levy of interest. Based on legal opinion, the Company is of the view that it has a good case. Accordingly, no provision for the same in the



books of accounts has been made. However, the Company has disclosed the same as contingent liability in the financial statements. In the interim, the Landmark Group has filed a petition for execution of the award, stating decretal amount of Rs. 189 cr as on 31.08.2019 and the promoter directors of the Company have been directed to file an affidavit of their assets. Further, in partial compliance with the earlier order of the Hon'ble High Court, the Company has deposited an amount of Rs. 12.05 cr. in the Registry of the Delhi High Court. Further, balance sale consideration of Rs. 19.00 (approx.) cr shall be deposited in the Registry of the High Court as per the agreement with the buyer to complete the amount of Rs.46 Crs for hearing of Section 34 application by the Group. After adjournment, the next date of hearing before Hon'ble High Court is 08-10-2020. Both the parties are also negotiating for settlement of the dispute out of the Court.

- 12). In the books of Ansal Landmark Township (P) Ltd., a subsidiary of the Company, an amount of Rs. 61.56 Cr. is recoverable from M/s. Ansal Landmark (Karnal) Township Pvt. Ltd. Based on management assessment of cash flow of Karnal Project, there is no impairment in the value of the said recoverable amount.
- 13). Ansal Hi-tech Townships Limited, a subsidiary of the Company had filed a case in Mumbai High Court against (Peninsula Brook Field) for non-disbursement of Rs. 100 Cr NCDs, and resultant damages of Rs. 250 Cr. Peninsula Brook Field also through their Debenture Trustee Vistra ITCL filed a case for recovery of their dues before the Mumbai High Court against the Company, which has provided Corporate Guarantee. The Company offered in the Court that they are ready to sell four properties which are mortgaged to the said debenture holder. The Company has sold one property & entered into ATS for sale of second property with DMART for Rs. 23.61 Crs. Peninsula Brookfield has also filed a case in NCLT on 17 October, 2018 for the recovery of their dues against the Subsidiary - Ansal Hi-Tech Townships Ltd. The next date of hearing in NCLT is 28-09-2020. Meanwhile, the Company along with one Group Company, namely Ansal Colonizers and Developers Pvt. Ltd has purchased NCDs of the principal amount of Rs.33.42 Crs. (Rs. 29.02 crs till March 31, 2020) by way of barter of properties and down payment from the market. The Company is also negotiating for One Time Settlement with the Peninsula for the remaining NCDs total principle amount of Rs. 166.58 crs, so that all the cases by both the parties may be withdrawn. The Company has paid Rs. 6.50 Crs. in the Escrow Account of Lender. Commercial of the OTS are under finalization.
- 14). Star Facilities Management Limited, the wholly owned subsidiary of the Company has made investment of Rs. 40 Lakhs in Equity Shares of Pro-Facilities Services Private Limited and presently holds 40% stake in this Company. However, the investee company is mis managing its affairs and the company has filed petition for oppression and mismanagement of affairs against investee Company. The same is pending presently with NCLT.
- 15). The financial statements of two joint ventures are based on management certified accounts.
- 16). Due to recession in Real Estate Industry, the Company continues to face liquidity issues due to multiple repayments and statutory obligations. Covid 19 pandemic also affected liquidity in the system in the current period which is expected to continue in the next period. The Company is taking following actions to cope up existing uncertainty including impact of Covid -19 pandemic, although there is no impact on going concern.



- a. To make settlement with Banks/ lenders / Investors through barter deal by offering land parcels
- b. Converting existing license of built up development in to plotting development under Deen Dayal Jan Awas Yojna (DDJAY) for quick realizations of funds.
- c. Bulk sale of plots to settle lenders.
- d. Shifting of existing customers in the project of other developers where ready to move inventory exist and giving land to such developers in other projects of the company.
- e. To make suitable change from constructing multi story buildings to SCOs with common design.
- f. Approaching SBI Capital under recently launch "Government Scheme for Real Estate" for existing projects of the Company.

17). The Management's response to qualifications in the Limited Review Report for the quarter / year ended 31st March, 2020 are as under:

- i. Ansal Hi-tech Townships Limited, a subsidiary of APIL has not made provision of interest of Rs. 8.41 Cr for the quarter ended June 30, 2020 on outstanding debenture of Rs. 166.58 Cr issued to the parties outside the Group because settlement with the debenture holders are under process.
- ii. On 31st July 2019, ICICI Prudential Venture Capital Fund Real Estate (IPVCF) has withdrawn the application filed before NCLT for invoking insolvency proceedings against a subsidiary company Ansal Landmark Townships Pvt Ltd. (ALTPL) Further, based on the Terms of Settlement arrived at between the subsidiary company and IPVCF with respect to the outstanding amount of debentures and interest, and the management representation in this regard, the subsidiary company's liability to pay the default interest amounting to Rs. 0.46 Crores for the quarter ended June 30, 2020 may not arise and accordingly the same has not been provided in the financial results of ALTPL and for the Group .
- iii. The Company is liable to pay Rs. 143.74 Cr and Rs. 16.20 Cr against purchase of inventory in the Financial Year 2011-12 and advances respectively to Ansal Township Infrastructure Ltd, a subsidiary company. The Auditor of the subsidiary company has qualified the report by mentioning interest @ 18% as applicable to other customers. However, the Company has in the view that interest is not payable as per the agreement. Accordingly provision for interest of amounting Rs. 0.73 Crs has not been made during the quarter. Further ATIL is settling the Investor by buying the full investment. ATIL has given interest free advances to the other companies amounting to Rs.04 Crore.
- iv. Velford Ventures Ltd and New Dimensions Holdings Limited as equity investors along with Grainwell Ventures Ltd and Clear Horizon Investment PTE Ltd as debenture investors ("Investors") which have invested in Ansal Phalak Infrastructure Pvt. Ltd.(APIPL) had referred the matter to an



Arbitrator on their dispute with APIL. APIL had given corporate guarantee to the Investors for their investment in APIPL, in the meanwhile both the parties, (i.e., APIL and the Investors) had entered into settlement agreement which was jointly submitted to the arbitrator. On the basis of settlement agreement filed with arbitrator, interim arbitration award was pronounced. As per interim arbitration award, Investors have converted their investment of Cumulative Convertible Debentures (CCDs) so that 93% of the equity of APIPL is now held by Investors. Hence APIPL is no more subsidiary of APIL w.e.f. March 31, 2020. Further the complete business of 38 acres and 51 acres in Versalia, Gurgaon have been transferred from APIPL to APIL as per business transfer agreement (BTA) signed between APIL, APIPL & Investor dated March 31, 2020 to implement interim arbitration award. As per interim award K.P.M.G is conducting audit of APIPL to ascertain shortfall amount, if any. During previous quarter, APIL has already booked loss of Rs.69.20 Crs. In the statement of profit & loss. The final amount, which cannot be ascertained as on June 30, 2020, will be determined subsequent to the report of KPMG. The adjustment for the same will be made after receipt of report from KPMG.

18). The Hon'ble NCALT has vide its Order dated August 14, 2020 set aside Order passed by Hon'ble NCLT, Principle Bench Delhi initiating CIRP proceedings for two projects i.e. UPREREA PRJ7108 & UPRERAPRJ7040 of the Company, on the appeal filed by promoter Mr. Sushil Ansal

Certified True Copy

Place: New Delhi
Date: September 14, 2020

SAL

For Ansal Properties and Infrastructure Limited for and on behalf of the Board

Abdul Samad
General Manager, Company Secretary
Membership No: FCS-7135

(Sushil Ansal)
Chairman
DIN-00002007



**SS KOTHARI MEHTA
& COMPANY**
CHARTERED ACCOUNTANTS

Independent Auditors' Review Report on the Quarterly Unaudited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report to

The Board of Directors,

Ansal Properties and Infrastructure Limited

New Delhi

1. We have reviewed the accompanying statement of unaudited consolidated financial results of **Ansal Properties and Infrastructure Limited** (the 'Parent' or 'APIL'), its subsidiaries (the Parent and its Subsidiaries together referred as 'the Group') and its joint ventures for the quarter ended June 30, 2020, along with notes (the 'Statement'), attached herewith being submitted by the Group pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 (the Act), read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the Listing Regulations, as amended, to the extent applicable.

4. The Statement includes financial results of the entities as referred in Annexure – A attached.

5. **Basis of Qualified Conclusion**

We draw attention to:

- a) Refer Note 17 (iii) of the Statement wherein the auditors of a subsidiary Ansal Townships Infrastructure Limited (ATIL) has qualified its conclusion for non-recognition of interest on overdue amount of Rs. 14,374 lakhs receivable from the APIL on account of sales of properties aggregating to Rs. 16,078 lakhs in the financial year 2011 -12. ATIL is demanding interest on delayed payment of the outstanding amount @18% per annum. However, the APIL has denied such demand on the basis that there is no such clause in the agreement entered into with ATIL and has not provided for any interest on the outstanding amount in its books of account. In view of above, we are unable to ascertain the possible impact it may have on the non-controlling interest and parents equity in these consolidated financial results.
- b) Refer Note 17 (iii) of the Statement wherein ATIL has not made provision for interest of Rs. 73 lakhs receivable on advance of Rs. 1620 lakhs given to the APIL. As a result, share of total comprehensive income attributable to minority shareholders of Group is overstated by 23 lakhs for the quarter ended June 30, 2020.
- c) Refer Note 17 (iv) of the Statement during the previous quarter, APIL had entered into a business transfer agreement (BTA) between PE Investor in Ansal Phalak Infrastructure Private Limited (APIPL) subsidiary of APIL on the basis of interim arbitration award/master settlement agreement (MSA). As per MSA, 93% of the equity share capital of APIPL is now held by PE Investor. As a result, APIPL is not a subsidiary of APIL. The final arbitration award will be subject to final audit report of KPMG appointed as per section 26 of the Arbitration Act. KPMG will audit all the transactions undertaken since incorporation. Any shortfall or excess of amount payable or receivable due to their findings will be adjusted subsequently. We have been informed by APIL that the audit of KPMG is under progress. During the previous quarter APIL has already booked a loss of Rs. 6920 lakhs in the statement of profit and loss. The final amount will be determined subsequent to the report of KPMG which is not ascertainable at this stage and hence not recorded by APIL.
- d) Refer Note 17(i) of the Statement wherein one of the subsidiary Ansal Hitech Townships Limited (AHTL) has not provided interest aggregating to Rs.841 lakhs for the quarter ended June 30, 2020 on outstanding debentures of Rs. 16658 lakhs issued to parties outside the Group. This has resulted in understatement of inventory by Rs 841 lakhs in

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the financials of the subsidiary for the quarter ended June 30, 2020. This was also subject matter of qualification in our report on the standalone financial statements of AHTL & on the consolidated financial statement of the group for the financial year ended March 31, 2018, March 31, 2019 & March 31, 2020.

- e) Refer Note 17 (ii) of the Statement wherein on January 16, 2019, ICICI Prudential Venture Capital Fund Real Estate (IPVCF) the debenture holder of one of the subsidiary Ansal Landmark Township Private Limited (ALTPL), invoked the default interest @ 27% p.a. However, ALTPL has provided normal interest @ 21.75% p.a. and not @ 27% p.a. Therefore, ALTPL has not made provision for additional interest of Rs. 46 Lakhs for the quarter ended June 30, 2020. As a result loss of the Group and the share of total comprehensive income attributable to minority interest overstated by Rs. 25 and Rs.21 lakhs respectively.

We further report that, without considering items mentioned at para (a), (c) and (d) above, the effect of which could not be determined, had the observations made by us in para (b) & (e) above been considered, the group share of consolidated loss for the quarter would have been Rs. 2147 lakhs as against the reported figure of group share of total comprehensive loss of Rs. 2099 lakhs.

6. Qualified Conclusion

Based on our review conducted as above, except for possible impact of matters stated in Para "Basis of Qualified Conclusion" above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in all material respects in accordance with the applicable Indian Accounting Standards (Ind-AS) prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of the Listing Regulation including the manner in which it is to be disclosed, or that it contains any material misstatement.

7. Emphasis of Matter

Without qualifying our conclusion, we draw attention to the following matters:

- i. Refer Note 5 of the Statement, the Parent had claimed a cumulative exemption of Rs. 3,448 lakhs up to the period ended March 31, 2011, continuing up to the end of current period, under section 80 IA of the Income Tax Act, 1961 being tax profits arising out of sale of Industrial Park units, pending the notification of the same by Central Board of Direct Taxes (Competent Authority). The Competent Authority rejected the initial application against which the parent has filed review petition. The Parent has taken opinion from a senior

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counsel that its review petition satisfies all the conditions specified in the said Scheme of Industrial Park under Industrial Park (Amendment) Scheme, 2010. No exemption is claimed during the current quarter as there are no sales of industrial park units.

- ii. Refer Note 6 of the Statement, pursuant to Orders of the Company Law Board (CLB) dated the December 30, 2014 and April 28, 2016, the Parent was required to refund all its public deposits as per the schedule. Further, as per National Company Law Tribunal Order dated January 13, 2017 and in response to an application filed by the parent, as amended/extended from time to time, the Parent was required to repay Rs. 200 lakhs per month (Rs. 100 lakhs per month from January 2019 onwards) as per revised schedule. As on June 30, 2020 an amount of Rs. 2546 lakhs are due for payment (out of total outstanding principal of Rs. 9327 lakhs). The Parent's petition regarding revised schedule for repayment of deposits and interest thereon is pending before NCLT. Next date of hearing is October 07, 2020.
- iii. Refer Note 7 of the Statement, wherein as per section 73(2) of the Act read with Order of National Company Law Tribunal (NCLT) dated 30 December 2014, the Parent is required to deposit before April 30, 2019 at least 6% of the amount of Public Deposits maturing during the following financial year and be kept in a schedule bank in a separate bank account as liquid funds and shall not be utilized for any purpose other than repayment of Public Deposits. NCLT order dated 20.02.2020 exempted APIL to deposit the said liquid fund with Schedule Bank in separate account till 31.03.2021.
- iv. Refer Note 10 of the Statement wherein IIRF India IRF India Realty Limited - II Fund "Foreign Investor" and IL & FS Trust Company Limited (acting as Trustee of IFIN Realty Trust) through its manager IL&FS Investment Managers Limited "Indian Investor" had invested an amount of Rs. 7934 lakhs in Equity Shares and Compulsorily Convertible Preference Shares (CCPS) of ATIL. The Parent has purchased part of the investment i.e. 40.66% and remaining part is still pending. The Investor has invoked the arbitration clause in respect of its dispute. The matter is subjudice. We have relied upon the contention of the management.
- v. Refer Note 8 of the Statement, as per prescribed norms issued by Reserve Bank of India (RBI) and the exercise of powers conferred on the Bank under Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) the following banks have issued notices the details of which are as follows:
 - (a) One of the lender banks "Allahabad Bank" (the Lender) has classified the bank accounts of the Parent as Non – Performing Assets (NPA) and has demanded the entire amount of Rs. 11,929 lakhs due towards the banks outstanding as on May 19, 2017 being the date of the Order including interest and penal charges. The bank has filed case against the company in Debts Recovery Tribunal (DRT). Next date of hearing is 20-10-2020.

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- (b) In addition to above Lender, three more Banks, have classified the bank accounts of the Group as Non – Performing Assets (NPA) and have demanded the entire amount of Rs. 14707 lakhs due towards the Banks outstanding as on September 12, 2018, October 08, 2018, November 29, 2018 and May 08, 2018 including interest and penal charges. As explained to us, Group has entered into one time settlement agreement with one of the lenders and is in discussions with the other two lenders to resolve the matter.
- (c) The parent has taken working capital/ overdraft facility from Jammu & Kashmir (J & K) Bank Limited aggregating to Rs.3534 lakhs including overdue interest of Rs. 434 lakhs. The above mentioned overdue interest is classified as NPA by the J & K Bank.
- (d) The IL & FS Financial Service Limited (“IFIN”) has filed an application in NCLT against the recovery of its dues of Rs. 15500 lakhs against the Parent. The Group is in discussion with IFIN to resolve the matter. Next hearing is scheduled on 25.09.2020.
- (e) Ansal API Infrastructure Ltd. (AAPIL), a wholly owned subsidiary of the Company, has taken a loan of Rs. 39,000 lakhs from Pooled Municipal Debt Obligations Facility (PMDO). The present outstanding is Rs. 27,382 lakhs excluding overdue interest. This account is classified as NPA by the lenders. Out of the fifteen lenders, Corporation Bank Limited (CBL) filed the case against AAPIL in NCLT for recovery of overdue amount. Outstanding amount of loan payable to CBL is Rs. 1,260 lakhs which includes overdue interest of Rs. 345 lakhs. The AAPIL is in discussion with CBL to resolve the matter.
- vi. Refer Note 14 of the Statement, the auditors of one of the subsidiary company “Star Facilities Management Limited” (SFML) has drawn attention to the fact that SFML made investment in Pro- Facilities Services Private Limited & hold 40% equity shares in that company. However, the investee company is mis-managing its affairs and the SFML has filed a petition in NCLT for oppression and mismanagement of affairs against the investee company.
- vii. Refer Note 9 of the Statement, UP – RERA (the Authority) had appointed Currie & Brown India Private Limited (CBIPL), Gurgaon as auditor for conducting forensic audit of 91 projects of the Parent in Lucknow. CBIPL has submitted its report to the Authority which states diversion of funds by the Parent to the tune of Rs. 606 crores, non-compliances relating to non-adherence to deposit of fixed percentage of amount received from customers in escrow account as per provision of Real Estate (Regulation & Development) Act, 2016 & non-submission of quarterly information/ submitting incorrect information at the time of registration of the projects etc. The Authority had issued four Show Cause Notices (SCN) in March 2019 and two SCNs on May 01, 2019 to the Parent for de-registration of its six projects due to above mentioned observations in the forensic report submitted by CBIPL. The Parent has submitted its replies to the Authority against the SCNs denying any diversion of funds and non-adherence in depositing fixed percentage of amount received from customers

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In escrow account as per provision of Real Estate (Regulation & Development) Act, 2016. As regards, non – submission of quarterly information/ submitting incorrect information at the time of registration of the projects is concerned, the Parent has agreed to provide the necessary information to the Authority. Based on the replies submitted by the Company, the Authority has passed an Order to put on hold its notice of deregistration of six project for four months effective from July 09, 2019 with certain conditions. No decision has been taken on this as on the date of issue of this report. In addition, the Authority has also imposed a fine of Rs. 100 lakhs on the Parent. The Parent has represented against the fine so imposed. We cannot comment on the impact, if any, of the above observations on SCNs issued by the Authority on the operations of the Parent.

Further, as per press Release dated 2.9.2020, UP RERA has ordered for Forensic Audit of additional 3 Projects of the Parent in Lucknow. As explained by the management the Parent has not received any communication in this regard from UP RERA. We have relied upon management contention.

- viii. Refer Note 11 of the Statement, wherein the Parent has received an Arbitration Award relating to litigation with Landmark Group wherein the Parent is jointly and severally liable to pay an amount of Rs.18,900 lakhs. The Parent has sought legal recourse. Details with regard to payment and legal issues are explained in the said note. Based on the legal advice the Parent is hopeful of a favorable outcome and the matter is subjudice. We have relied upon management contention.
- ix. Refer Note 12 of the Statement wherein auditors of ALTPL has drawn attention to the fact that an amount of Rs. 6,156 lakhs are receivable from Ansal Landmark (Karnal) Township Private Limited (ALKTPL). The auditors of ALTPL have relied on the management assessment and accordingly no impairment in the value of said recoverable amount is made in the books of accounts of ALTPL.
- x. Refer Note 13 of the Statement, the Parent, and the debenture holders of a subsidiary company Ansal HI-Tech Township Ltd (AHTL) having overdue principal amount of Rs. 16658 lakhs have filed cases on each other for their dues/ claims in Hon'ble Mumbai High Court. The Parent has given corporate guarantee to the debenture holders on behalf of the AHTL. The debenture holders have moved an application with NCLT under Insolvency & Bankruptcy Code. As the matter is subjudice, we have relied upon the contention of the management.

8. Material Uncertainty on Going Concern

Refer note 16 of the statement, the accumulated losses of the Company as on June 30, 2020 is Rs. 1,12,200 lakhs (these accumulated losses were partly due to the reversal of earlier profits of Rs. 1,17,519 lakhs in retained earnings as at April 1, 2018 by the Company on adoption of Ind AS

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– 115 “Revenue from Contracts with Customers” with effect from April 1, 2018). As of June 30, 2020, the accumulated losses exceed the share capital and free reserves of the Company. Due to recession in the industry, the Company continues to face profitability and liquidity issues evidenced by delays in repayments to lenders, payments of statutory obligations including income tax and tax deducted at source and ongoing claims /settlements of various counterparties. These events or conditions combined with impact of Covid 19 on the real estate industry, indicate that a material uncertainty exists that may cast a significant doubt on the Company’s ability to continue as a going concern. The management of the company has taken various initiatives as stated in Note 16, and in view of its confidence in achieving these initiatives, the management has assessed that the going concern assumption is appropriate in the preparation of the Statement of the Company for the quarter ended June 30, 2020.

Our conclusion is not modified in respect of this matter.

9. We did not review the unaudited quarterly financial results of 91 subsidiaries (including step down subsidiaries) whose unaudited quarterly financial results reflect total revenue of Rs. 2442 lakhs, loss after tax of Rs. 1570 lakhs and total comprehensive loss of Rs. 1746 lakhs for the quarter ended June 30, 2020 as considered in this Statement
10. Out of companies mentioned in 9 above, the unaudited financial information for 57 subsidiaries (including step down subsidiaries) duly certified by the management have been furnished to us whose unaudited quarterly financial results reflect total revenue of Rs. 101 lakhs, loss after tax Rs. 176 lakhs and total comprehensive loss of Rs. 176 lakhs for the quarter ended June 30, 2020, as considered in this Statement. Our report to the extent it concerns these subsidiaries (including step down subsidiaries) on the unaudited quarterly consolidated financial results is based solely on the management certified financial results. These subsidiaries (including step down subsidiaries) are not considered material to the Group.
11. Out of companies mentioned in 9 above, the financial information of the balance 34 subsidiaries (including step down subsidiaries) whose reviewed quarterly standalone/consolidated financial results reflect total revenue of Rs. 2341 lakhs, loss after tax Rs. 1393 lakhs and total comprehensive loss Rs. 1569 lakhs for the quarter ended June 30, 2020 as considered in this statement, have been reviewed by other auditors whose review reports have been furnished to us. Our report, to the extent it concerns these subsidiaries (including step down subsidiaries), on the unaudited quarterly consolidated financial results is based solely on the report of the other auditors and procedures performed by us as stated in para 3 above.
12. We did not review the unaudited financial results of one joint venture entity, wherein Group’s share of loss including other comprehensive loss of Rs. 2 lakhs for the quarter ended June 30, 2020 as considered in this Statement, have been reviewed by other auditors whose review report has been furnished to us. Our review report, to the extent it concerns this joint venture

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entity, on the unaudited quarterly consolidated financial results is based solely on the report of the other auditor and procedures performed by us as stated in para 3 above.

13. We did not review the financial results of one joint venture entity, wherein Group's, share of profit including other comprehensive loss of Rs. Nil for the quarter ended June 30, 2019. Financial information of this joint venture entity duly certified by the management is furnished to us. Our review report, to the extent it concerns to this joint venture entity on the unaudited quarterly consolidated financial results is based solely on the management certified financial results. This joint venture entity is not considered material to the Group.

Our conclusion on the Statement is not modified in respect of above matters with respect to our reliance on the work done and the reports of the other auditors and information provided in relation to management certified financial results.

For S. S. Kothari Mehta & Company
Chartered Accountants

Firm Registration No: 000756N

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WAHAL

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Partner

Membership No: 087294

Place: New Delhi

Dated: September 14, 2020

UDIN : 20087294AAAAGM1023

Annexure – A

	Subsidiaries/Step Down subsidiaries
1	Delhi Towers Limited
2	Ansal IT City & Parks Limited
3	Star Facilities Management Limited
4	Ansal API Infrastructure Limited
5	Charismatic Infratech Private Limited
6	Ansal Hi-Tech Townships Limited
7	Ansal SEZ Projects Limited
8	Ansal Townships Infrastructure Limited
9	Ansal Seagull SEZ Developers Limited
10	Ansal Colours Engineering SEZ Limited
11	Ansal Landmark Townships Private Limited
12	Ansal Condominium Limited
13	Aabad Real Estates Limited
14	Anchor Infra projects Limited
15	Benedictory Realtors Limited
16	Caspian Infrastructure Limited
17	Celestial Realtors Limited
18	Chaste Realtors Limited
19	Cohesive Constructions Limited
20	Cornea Properties Limited
21	Creative Infra Developers Limited
22	Decent Infratech Limited
23	Diligent Realtors Limited

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24	Divinity Real Estates Limited
25	Einstein Realtors Limited
26	Emphatic Realtors Limited
27	Harapa Real Estates Limited
28	Inderlok Buildwell Limited
29	Kapila Buldcon Limited
30	Kshitiz Realtech Limited
31	Kutumbkam Realtors Limited
32	Lunar Realtors Limited
33	Marwar Infrastructure Limited
34	Muqaddar Realtors Limited
35	Paradise Realty Limited
36	Parvardigaar Realtors Limited
37	Pindari Properties Limited
38	Pivotal Realtors Limited
39	Plateau Realtors Limited
40	Retina Properties Limited
41	Sarvodaya Infratech Limited
42	Sidhivinayak Infracon Limited
43	Shohrat Realtors Limited
44	Superlative Realtors Limited
45	Taqdeer Realtors Limited
46	Thames Real Estates Limited
47	Auspicious Infracon Limited
48	Medi Tree Infrastructure Limited
49	Phalak Infracon Limited
50	Rudrapriya Realtors Limited

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51	Twinkle Infraprojects Limited
52	Sparkle Realtech Private Limited
53	Awadh Realtors Limited
54	Affluent Realtors Private Limited
55	Haridham Colonizers Limited
56	Ablaze Buildcon Private Limited
57	Quest Realtors Private Limited
58	Euphoric Properties Private Limited
59	Sukhdham Colonizers Limited
60	Dreams Infracon Limited
61	Effulgent Realtors Limited
62	MangalMurthi Realtors Limited
63	Arz Properties Limited
64	Tamanna Realtech Limited
65	Singolo Constructions Limited
66	Unison Propmart Limited
67	Lovely Building Solutions Private Limited
68	Komal Building Solutions Private Limited
69	H. G. Infrabuild Private Limited
70	Calliber Properties Private Limited
71	Augustan Infrastructure Private Limited
72	Alaknanda Realtors Private Limited
73	Ansal Infrastructure Project Limited
74	Chamunda Properties Private Limited
75	Chandi Properties Private Limited
76	Canyon Realtors Private Limited
77	Kailash Realtors Private Limited

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78	Kushmanda Properties Private Limited
79	Katra Realtors Private Limited
80	Kaveri Realtors Private Limited
81	Lord Krishna Infraprojects Limited
82	Prithvi Buildtech Private Limited
83	Rudraprayag Realtors Private Limited
84	Saubhagya Real Estates Private Limited
85	Saraswati Bulldwell Private Limited
86	Satluj Real Estates Private Limited
87	Sunshine Colonisers Private Limited
88	Bajrang Realtors Private Limited
89	Delhi Towers & Estates Private Limited
90	Kabini Real Estates Private Limited
91	Sampark Hotels Private Limited
92	Yamnotri Properties Private Limited
	Joint ventures
93	Ansal Lotus Melange Projects Private Limited
94	Ansal Urban Condominiums Private Limited

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Independent Auditors' Review Report on the Quarterly Unaudited Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**Review report to
The Board of Directors of
Ansal Properties & Infrastructure Limited**

1. We have reviewed the accompanying standalone financial results of Ansal Properties & Infrastructure Limited (the "Company") for the quarter ended June 30, 2020 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. **Basis for Qualified conclusion**
 - a. We draw attention to Note 17 (iii) of the Statement wherein the Company has purchased properties aggregating to Rs. 16078 lakhs from one of its subsidiary (holding 70.57% equity shares) Ansal Townships Infrastructure Limited (ATIL) in the financial year 2011 -12. The Company has not paid Rs. 14,374 lakhs out of the above consideration to ATIL till date. ATIL is demanding interest on delayed payment of the outstanding amount @18% per annum. However, the Company has denied such demand on the basis that there is no such clause in the agreement entered into with ATIL and has not provided for any interest on the outstanding amount in its books of account. In view of above, we are unable to ascertain the possible impact it may have on the profit and financial position of the Company and hence not commented upon.
 - b. We draw attention to Note 17 (iii) of the Statement wherein ATIL has not made provision for interest receivable on advance of Rs. 1620 lakhs given to the Company. One of the minority investor shareholder of the ATIL, "IIRF India Realty Ltd" has objected to granting interest free advance and has

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demanding that the ATIL recover interest @ 18% per annum on the amount so advanced. The interest receivable amounts to Rs. 73 lakhs for the period ended March 31, 2020 from the Company. The Company has not made any provision for interest payable of Rs. 73 lakhs to ATIL. As a result, loss of the Company and its liabilities are understated by this amount.

- c. We draw attention to note no 17 (iv) of the statement during the previous quarter, the Company had entered into a business transfer agreement (BTA) between PE investor in Ansal Phalak Infrastructure Private Limited (APIPL) subsidiary of the Company on the basis of interim arbitration award/ master settlement agreement (MSA). As per MSA, 93% of the equity share capital of the Company is now held by PE investor. As a result, APIPL is not a subsidiary of the Company.

The final arbitration award will be subject to final audit report of KPMG appointed as per section 26 of the Arbitration Act. KPMG will audit all the transactions undertaken since incorporation. Any shortfall or excess of amount payable or receivable due to their findings will be adjusted subsequently. We have been informed by the Company that the audit of KPMG is under progress. During the previous quarter, the Company has already booked a loss of Rs. 6920 lakhs in the statement of profit & loss. The final amount will be determined subsequent to the report of KPMG which is not ascertainable at this stage and hence not recorded by the Company.

We further report that, without considering items mentioned in para (a), (b) and (c) above, the effect of which could not be determined, had the observations made by us in para (b) above been considered, the loss for the year would have been Rs. 452 lakhs (as against the reported figure of Total comprehensive loss of Rs. 379 lakhs).

5. Qualified conclusion

Based on our review conducted as above, except for possible impact of matters stated in "Basis of Qualified conclusion" above, nothing has come to our attention that causes us to believe that the accompanying Statements, prepared in all material respects in accordance with the applicable Indian Accounting Standards (Ind AS) prescribed in Ind AS 133 of the Act, read with Rule 7 of Companies (Accounts) Rules 2014 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Listing regulations, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. Emphasis of Matter

Without qualifying our conclusion, we draw attention to the following matters:

- a. Refer Note 5 of the Statement, the Company had claimed a cumulative exemption of Rs. 3,448 lakhs up to the period ended March 31, 2011, continuing up to the end of the current period, under section 80 IA of the Income Tax Act, 1961 being tax profits arising out of sale of Industrial Park units, pending the notification of the same by Central Board of Direct Taxes (Competent Authority). The Competent Authority rejected the initial application against which the Company has filed a review petition. The Company has taken opinion from a senior counsel that its review petition satisfies all the conditions specified in the said Scheme of Industrial Park under Industrial Park (Amendment) Scheme, 2010. No exemption is claimed during the current quarter, as there are no sales of Industrial Park units.
- b. Refer Note 6 of the Statement, pursuant to Orders of the Company Law Board (CLB) dated December 30, 2014 and April 28, 2016, the Company was required to refund all its public deposits as

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per the schedule. Further, as per National Company Law Tribunal Order dated January 13, 2017 and in response to an application filed by the Company, as amended/extended from time to time, the Company was required to repay Rs. 200 lakhs per month (Rs. 100 lakhs per month from January 2019 onwards) as per revised schedule. As on June 30, 2020 an amount of Rs. 2546 lakhs are due for payment (out of total outstanding principal of Rs. 9327 lakhs). The Company's petition regarding revised schedule for repayment of deposits and interest thereon is pending before NCLT. Next date of hearing is 07.10.2020

- c. Refer Note 7 of the Statement, wherein as per section 73(2) of the Act read with Order of National Company Law Tribunal (NCLT) dated 30 December 2014, the Company is required to deposit before April 30, 2019 at least 6% of the amount of Public deposits maturing during the following financial year and be kept in a schedule bank in a separate bank account as liquid funds and shall not be utilized for any purpose other than repayment of Public Deposits. Hon'ble NCLT vide its order dated 20.02.2020 exempted the Company to deposit the said liquid fund exempted with Schedule Bank in separate account till 31.03.2021
- d. Refer Note 10 of the Statement, wherein IIRF India IRF India Realty Limited - II Fund "Foreign Investor" and IL & FS Trust Company Limited (acting as Trustee of IFIN Realty Trust) through its manager IL&FS Investment Managers Limited "Indian Investor" had invested an amount of Rs. 7934 Lakhs in Equity Shares and Compulsorily Convertible Preference Shares (CCPS) of Ansal Townships Infrastructure Limited, a subsidiary of the Company. The Company has purchased part of the investment i.e. 40.66% and remaining part is still pending. The investor has invoked the Arbitration clause in respect of its dispute. The matter is subjudice.
- e. Refer Note 8 of the Statement, as per prescribed norms issued by Reserve Bank of India (RBI) and the exercise of powers conferred on the Bank under Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SREAFESI) the following banks have issued notices the details of which are as follows:
 - i. One of the lender banks "Allahabad Bank" (the Lender) has classified the bank accounts of the Company as Non – Performing Assets (NPA) and has demanded the entire amount of Rs. 11,929 lakhs due towards the banks outstanding as on May 19, 2017 being the date of the order including interest and penal charges. The bank has filed case against the company in Debts Recovery Tribunal (DRT). Next date of hearing is 20-10-2020.
 - ii. In addition to above Lender, three more banks, have classified the bank accounts of the Company as Non – Performing Assets (NPA) and have demanded the entire amount of Rs. 9066 lakhs due towards the banks outstanding as on September 12, 2018, October 08, 2018, November 29, 2018 and May 08, 2018 including interest and penal charges. As explained to us, the Company is not in agreement with the contention of these lenders. The company has entered into one time settlement agreement with one of the lenders and is in discussions with the other two lenders to resolve the matter.
 - iii. The Company has taken working capital/overdraft facility from Jammu & Kashmir (J & K) Bank Limited aggregating to Rs.3524 lakhs including overdue interest of Rs. 434 lakhs. The above mentioned overdue interest is classified as NPA by the J & K Bank.

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- iv. The IL & FS Financial Service Limited ("IFIN") has filed an application in NCLT against the recovery of its dues of Rs. 15500 lakhs against the Company. The Company is in discussion with IFIN to resolve the matter. Next hearing is scheduled on September 25, 2020.
- f. Refer Note 13 of the Statement, the Company and the debenture holder of a subsidiary Company Ansal HI-tech Township Limited (AHTL) having overdue principal amount of Rs. 16,658 lakhs have filed cases on each other for their dues/ claims in Hon'ble Mumbai High Court. The Company has given corporate guarantee to the debenture holder on behalf of the AHTL. The debenture holder has moved an application with NCLT under Insolvency & Bankruptcy Code. The Company is in the process of settling this dispute and the matter is subjudice.
- g. Refer Note 11 of the Statement, wherein the Company has received an Arbitration Award relating to litigation with Landmark Group wherein the Company is jointly and severally liable to pay an amount of Rs.18,900 lakhs. The Company has sought legal recourse. Details with regard to payment and legal issues are explained in the said note. Based on the legal advice the Company is hopeful of a favorable outcome and the matter is subjudice. We have relied upon management contention.
- h. Refer Note 9 of the Statement, UP – RERA (the authority) had appointed Currie & Brown India Private Limited (CBIPL), Gurgaon as auditor for conducting forensic audit of 91 projects of the Company in Lucknow. CBIPL has submitted its report to the Authority which states diversion of funds by the Company to the tune of Rs. 606 crores, non-compliances relating to non-adherence to deposit of fixed percentage of amount received from customers in escrow account as per provision of Real Estate (Regulation & Development) Act, 2016 & non-submission of quarterly information/ submitting incorrect information at the time of registration of the projects etc. The Authority has issued four Show Cause Notices (SCN) in March 2019 and two SCNs on May 01, 2019 to the Company for de-registration of its six projects due to above mentioned observations in the forensic report submitted by CBIPL. The Company has submitted its replies to the Authority against the SCNs denying any diversion of funds and non-adherence in depositing fixed percentage of amount received from customers in escrow account as per provision of Real Estate (Regulation & Development) Act, 2016. As regards, non-submission of quarterly information/ submitting incorrect information at the time of registration of the projects is concerned, the Company has given the undertaking to provide the necessary information to the Authority. Based on the replies submitted by the Company, the Authority has passed an Order to put on hold its notice of deregistration of six projects. No decision has been taken on this as on date of issue of this report. In addition, the Authority has imposed a fine of Rs. 100 lakhs on the Company. The Company has represented against the fine so imposed.

Further, as per press Release dated 2.9.2020, UP RERA has ordered for Forensic Audit of 3 Projects of the Company in Lucknow. As explained to us, the Company has not received any communication in this regard from UP RERA. We have relied upon management contention.

SS KOTHARI MEHTA
& COMPANY
CHARTERED ACCOUNTANTS

7. Material Uncertainty on Going Concern

Refer Note 16 of the Statement, the accumulated losses of the Company as on June 30, 2020 is Rs. 1,12,200 lakhs (these accumulated losses were partly due to the reversal of earlier profits of Rs. 117519 lakhs in retained earnings as at April 1, 2018 by the Company on adoption of Ind AS – 115 "Revenue from Contracts with Customers" with effect from April 1, 2018). As at June 30, 2020, the accumulated losses exceed the share capital and free reserves of the Company. Due to recession in the industry, the Company continues to face profitability and liquidity issues evidenced by delays in repayments to lenders, payments of statutory obligations including income tax and tax deducted at source and ongoing claims / settlements of various counterparties. These events or conditions combined with impact of Covid 19 on the real estate industry, indicate that a material uncertainty exists that may cast a significant doubt on the Company's ability to continue as a going concern. The management of the company has taken various initiatives as stated in Note 16, and in view of its confidence in achieving these initiatives, the management has assessed that the going concern assumption is appropriate in the preparation of the standalone financial results of the Company for the quarter ended June 30, 2020. Our conclusion is not modified in respect of this matter.

For S. S. KOTHARI MEHTA & COMPANY

Chartered Accountants

FRN - 000756N

SUNIL WAHAL
WAHAL
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SUNIL WAHAL

Partner

Membership No. 087294

Place: Delhi

Date: September 14, 2020

UDIN: 20087294AAAAGL1870