

01<sup>st</sup> May, 2019**Script Code : ANSALAPI**

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

**Script Code: 500013**

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25th Floor,  
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Dalal Street,  
Mumbai - 400 001

**Reg: Clarification sought by the Stock Exchanges regarding News Article on Fund Diversion**

**Ref: (a) Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**  
**(b) Reply by the Company to the Stock Exchanges dated 25<sup>th</sup> April, 2019**

Dear Sirs,

This has reference to your e-mail dated the 22<sup>nd</sup> April, 2019 regarding clarification on recent news article appearing in the Economic Times dated the 20<sup>th</sup> April, 2019 titled "Ansals under UP Realty Regulator lens for potential Rs 600 crore diversion", and our previous reply to the same dated the 25<sup>th</sup> April, 2019.

In this context we would like to submit that the Company has submitted its reply on the 30<sup>th</sup> April, 2019 with documentary evidence to Uttar Pradesh Real Estate Regulatory Authority {Authority} to the show cause notices received from them, in respect of the outcome of the Forensic Audit Report, for four of its projects out of the 91 projects registered with Authority and located at HI-Tech Township, Sushant Golf City at Lucknow, Uttar Pradesh {Project}.

Amongst other clarifications/information, the following has been provided in our reply, which is indicative that the figures of diversion of Rs. 606 crores as shown in the show cause notices, is incorrect and baseless, which is further evident as per the report of the Forensic Auditors. Kindly note, as per the said Report, Rs. 606 crores is a surplus cash flow generated in the said 91 projects. The Forensic Auditor has taken three sources of inflow which are as follows:

All figures in approx

1.	Receipts from Customers	Rs. 2210 crores
2.	Receipts from FSI sold	Rs. 132 crores
3.	Loan availed/ disbursed	Rs. 330 crores

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**Ansal Properties & Infrastructure Ltd.**

(An ISO 14001 : 2004 OHSAS 18001 : 2007 )

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While calculating this surplus of Rs. 606 crores, amount received from FSI sale and bank loan have been added to customer advances. As FSI sold are business to business transactions and are not a part of said registered projects, therefore, the same should not have been taken as a source of inflow. Besides, bank's loans are not part of customer inflows, this should also be excluded. After removing the aforesaid two items, the net surplus from said 91 projects remains to be approx Rs. 144 crores.

Also, we would like to submit that the Forensic Auditor has not taken outflow on account of refund made to customers of said 91 projects, which comes to approx. Rs. 181.88 crores.

The Forensic Auditor has taken figure of approx Rs. 2210 crores in its report as amount received from customers for calculating surplus as per RERA Regulations/Guidelines. Further, after taking the impact of all outflows in the said figure, the Company has invested approx. Rs. 11.88 crores from other sources in said projects, rather than withdrawing any surplus amounts from it.

It will not be out of context to mention that the entire outflow as taken by the Forensic Auditors do not include income tax and other statutory dues etc. Still, the Company has spent an amount of approx. Rs. 11.88 crores in excess of amount received from customers from the projects registered with Authority.

Further, in terms of the Regulation 30 of the Listing Regulations, the Company has always informed and shall intimate to the Stock Exchanges any event / information etc. that have the bearing on the operation/ performance of the Company.

Hope this clarifies the News Clarification. Should you require any further clarification in this regard, please inform us.

Thanking You.

Yours faithfully,

For **Ansal Properties & Infrastructure Ltd.**



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