

# IL&FS top executive bent norms to favour Ansals: internal report

## Dubious IL&FS loans to Ansals; chief's family invested in it

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EVEN AS investigating agencies probe former top executives of IL&FS Group for alleged irregularities in the business affairs of the company, an internal investigation report of the group reveals an alleged nexus between one of them, Ramesh Bawa, former MD of IL&FS Financial Service (IFIN), and the Ansal Group.

Bawa is currently in jail after the Serious Fraud Investigation Office (SFIO) arrested him in April 2019 on the grounds of abusing his powers in IFIN through fraudulent conduct and in granting loans to entities which were not creditworthy, thereby causing wrongful loss to the company and its creditors.

The Ansal Group and its promoters are facing charges of fraud in several cases. UP Real Estate Regulatory Authority

(RERA) has received around 800 complaints against the Ansal group in Lucknow and over 2,000 in Noida and the group is involved in alleged fraud amounting to at least Rs 600 crore.

Raising questions of propriety and conflict of interest, the internal probe report reveals that while IFIN extended questionable loans to Ansal Group companies, Bawa had financial links with Ansal Group companies

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through AAA Infosystem that was fully owned by Asha Kiran (his wife) and Akansha Bawa (his daughter).

As per records filed with the Registrar of Companies, AAA Infosystem invested Rs 2 crore in Ansal Townships Infrastructure Ltd.

Moreover, AAA Infosystem had also subscribed to preference shares of two Silverglade Group companies — Midway Apartments Pvt Ltd and Style Estates Pvt Ltd — that, in turn, set up companies in joint venture with Ansal Properties and Infrastructure Ltd.

Silverglades Group also bagged contracts of Ansal Properties and Infrastructure.

RoC records show that Ansal Properties and Infrastructure and Silverglade Investments Private Limited had set up a joint venture company Green Max Estates Ltd.

According to the IL&FS internal investigation report, in the financial year 2006-07, Silverglades Investments and Ansal Properties set up joint venture companies. So while Silverglades Group and Ansal Group had close ties, Bawa's company had made investments in Silverglades Group companies.

The report also reveals alleged favours extended by IFIN to the Ansal Group including ever-greening of loans — ex-

tending a loan to pay an existing loan — provided by IFIN.

According to the NPA report of November 2016 that projected accounts for February 2017, Ansal Properties and Infrastructure Limited was set to be classified as NPA if it failed to pay Rs 7 crore towards principal and Rs 0.72 crore towards interest by January 2017. While the total loan principal outstanding was Rs 79 crore and interest dues were Rs 1.56 crore, the internal report by IL&FS Group pointed out: "The same was ever-greened on multiple dates, wherein loan of Rs 150 crore was given to Ansal Properties and Infrastructure Limited an Ansal Group entity

and repayment of Rs 28.15 crore was received thereby avoiding classification of account as NPA," said the report.

While the NPA provisioning of Rs 140 crore was provided for loans to Ansal Group in September 2018, IFIN had disbursed loans of Rs 180 crore to the real estate group. The report pointed that these loans were provided by IFIN despite, "negative comment by the risk team" and Ansal Group having "linkages" to Bawa, the then MD of IFIN.

An IL&FS spokesperson declined to comment and emails sent to Ansal Group and Silverglades Group did not elicit any response.