

**Independent Auditor's Review Report on Unaudited Standalone Quarterly Financial Results of the Unitech Limited Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

To the Board of Directors of Unitech Limited

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of Unitech Limited ("the Company") for the quarter ended 30<sup>th</sup> June, 2021 ("the statement") attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, as amended ("the Listing Regulations").
2. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors, has not been prepared in accordance with the recognition and measurement principles laid down in the 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 issue a report on the statements 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 financial statements are 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 Standard(s) 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.

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LLP registration No. AAS-8863 (Formerly known as GSA & Associates) Branches at Akhnoor (Jammu) and Surat (Gujarat)

4. *Basis of disclaimer of conclusion*

*Based on our review conducted as above, due to the matters stated at para 5 of this report, we believe that the accompanying Statement of Unaudited Standalone Financial Results is not prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standard (Ind AS) specified under section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, and are not disclosing the information required to be disclosed in terms of the Listing Regulations, including the manner in which, it is to be disclosed, or that it contains material misstatement.*

5. We draw attention to the followings matters:

- (i) Unitech Limited (“the Company”) held its annual general meeting on 7<sup>th</sup> July, 2022 which was due on 30<sup>th</sup> November, 2021. The company had not applied for any extension for conducting annual general meeting to the Registrar of Companies, NCT of Delhi & Haryana. The Company is in the process of estimation of penalty and other implications due to delay in holding of annual general meeting.

Further, the Company also delayed in filling of its quarterly and annual/year to date results with Security and Exchange Board of India “SEBI”. The Company has not taken any provision related to penalty on account of such delay and management is now planning to seek relief against such penalty from SEBI.

We had given a disclaimer of opinion on the standalone financial statements for the year ended 31<sup>st</sup> March, 2021 in respect of this matter.

- (ii) We draw attention to Note no. 6 of the Unaudited Standalone Financial Results, which have made references to the Resolution Framework (RF) for Unitech group which has been prepared under the directions of the Board of Directors of Unitech Limited appointed by the Central Government pursuant to the afore-said order of the Hon’ble Supreme Court and approved by the Board of Directors in their Meeting held on June 17, 2020/ September 10, 2020 and which has been filed with the Hon’ble Supreme Court. Through RF, the company has requested the Hon’ble Supreme Court to grant some concessions and reliefs so that the company is able to fulfil its obligations towards the construction of the projects and meet other liabilities.

As the RF has not yet been approved by the Hon’ble Supreme Court, the impact of the proposed reliefs, concessions etc. have not been considered in the books of accounts.

We had given a disclaimer of opinion on the standalone financial statements for the year ended 31<sup>st</sup> March, 2021 in respect of this matter.

**(iii) Material uncertainty related to going concern**

We draw attention to Note no. 7 of the Unaudited Standalone Financial Results wherein the management has represented that the Unaudited Standalone Financial Results have been prepared on a going concern basis, notwithstanding the fact that the Company has incurred losses and has challenges in meeting its operational obligations, servicing its current liabilities including bank loans and public deposits. The Company also has various litigation matters which are pending before different forums, and various projects of the Company have stalled/ slowed down.

These conditions indicate the existence of material uncertainty that may cast significant doubt about Company's ability to continue as a going concern. The appropriateness of assumption of going concern is critically dependent upon the Company's ability to raise finance and generate cash flows in future to meet its obligations, and also on the final decision of the Hon'ble Supreme Court on the Resolution Framework.

Considering the above, we are unable to express a conclusion on this matter.

We had given a disclaimer of opinion on the standalone financial statements for the year ended 31<sup>st</sup> March, 2021 in respect of this matter.

- (iv) We draw attention to Note no. 15 of the Unaudited Standalone Financial Results. The Company had received a 'cancellation of lease deed' notice from Greater Noida Industrial Development Authority ("GNIDA") dated 18 November 2015. As per the Notice, GNIDA cancelled the lease deed in respect of Residential/ Group Housing plots on account of non-implementation of the project and non-payment of various dues amounting to Rs. 105,483.26 lakhs. The said land is also mortgaged and the Company has registered such mortgage to a third party on behalf of lender for the Non-Convertible Debenture (NCD) facility extended to the Company and, due to default in repayment of these NCDs, the debenture holders have served a notice to the Company under section 13(4) of the SARFAESI Act and have also taken notional possession of this land. The Company had contractually entered into agreements to sell with 352 buyers and has also received advances from such buyers amounting to Rs. 6,682.10 lakhs (net of repayment). No contract revenue has been recognized on this project.

GNIDA has, in the meanwhile, in terms of the Order of the Hon'ble Supreme Court dated 18.09.2018, deposited on behalf of the Company, an amount of Rs. 7,436.35 lakhs (Rs. 6,682.10 lakhs and interest @ 6% on the principal amount of Rs. 6,682.10 lakhs), out of the monies paid by the Company, with the registry of the Hon'ble Supreme Court.

During the year, GNIDA has adjusted Rs. 9,200.00 lakhs of Unitech group's liabilities towards the Company's other projects with GNIDA and forfeited Rs. 13,893.42 lakhs.

The Company had paid a sum of Rs. 34,221.90 lakhs, including Rs. 4,934.95 lakhs of stamp duty on the land for the said land.

The matter in respect of the land is still pending before the Hon'ble High Court of Allahabad, and pending the final disposal, the Company has, subsequently, shown the amount of Rs. 18,339.80 lakhs as recoverable from GNIDA in its books of accounts including stamp duty of Rs. 4,934.95 lakhs and lease rent paid of Rs. 61,13.11 lakhs. Further, the Company is also carrying

- a) Other construction costs amounting to Rs. 80,575.05 lakhs in respect of the projects to come upon the said land which also includes interest capitalised of Rs. 696,84.68 lakhs.
- b) Deferred liability on account of interest payable to GNIDA appearing in the books of accounts as on 30<sup>th</sup> June, 2021 amounting to Rs. 2,85,913.67 Lakhs (including Rs. 10,719.70 Lakhs booked on account of interest during the year ended 30<sup>th</sup> June, 2021). Out of the interest mentioned above Rs. 4,223.59 Lakhs has been capitalised in the books of accounts of the company. The same is in contravention of the provisions of Indian Accounting Standards 23 "Borrowing Costs".

The impact on the accounts viz. inventory, projects in progress, customer advances, amount payable to or receivable from GNIDA, and profit/(loss) for the quarter cannot be ascertained, since the matter is still subjudice, as mentioned hereinabove, vis-à-vis dues of the Company, and hence we are unable to conclude on this matter.

We had given a disclaimer of opinion on the standalone financial statements for the year ended 31<sup>st</sup> March, 2021 in respect of this matter.

- (v) We draw attention to Note no. 8(a) of the Unaudited Standalone Financial Results, Confirmations/ reconciliations are pending in respect of amounts deposited by the Company with the Hon'ble Supreme Court. As per books of account an amount of Rs. 45,250.84 Lakhs deposited with the Hon'ble Supreme Court Registry ("Registry") is outstanding as at 30<sup>th</sup> June, 2021. Management has received certain details of payments made and monies received in the registry from the Court and is in process of reconciling the same with entries posted in books of accounts. The management has also requested the learned amicus curiae to provide the other relevant details like bank statement and balance confirmations. In view of the reconciliation exercise still in process and absence of other statement of transactions and confirmation of balance from the Registry, we are unable to comment on the completeness and correctness of amounts outstanding with the Registry and of the ultimate impact these transactions would have on the Unaudited Standalone Financial Results of the Company, and hence we are unable to conclude on this matter.

We had given a disclaimer of opinion on the standalone financial statements for the year ended 31<sup>st</sup> March, 2021 in respect of this matter.

- (vi) We draw attention to Note no. 8(c) of the Unaudited Standalone Financial Results, according to information given and explanation provided to us by the management, in respect of Property, Plant and Equipment (PPE) having net value of Rs. 2,957.97 Lakhs (net of accumulated depreciation of Rs. 7,514.29 Lakhs), there is no physical verification conducted by the Company since last two years. Further, the company does not maintain proper records showing full particulars, including quantitative details and situation of Fixed Assets comprising 'property, plant and equipment and intangible assets', 'intangible assets under development' & 'investment property'. In view of this and also of the fact that these PPE's are kept as security for obtaining bank loans and there are several cases ongoing against the Company under SARFAESI Act, we are not able to express a conclusion on this matter.

We had given a disclaimer of opinion on the standalone financial statements for the year ended 31<sup>st</sup> March, 2021 in respect of this matter.

**(vii) Non-current investment and loans**

Company has made investments and given loans to its subsidiaries, joint ventures, associates and other. Details as on 30th June, 2021 are as follows: -

Particulars	Amounts in Lakhs of Rs.		
	Amount invested	Impairment accounted for till 30.06.2021	Carrying amount
Equity investment - Indian subsidiaries	753,42.84	307,45.68	445,97.16
Equity investment - foreign subsidiaries	663,76.77	663,76.77	-
Equity investment - joint ventures	540,40.01	-	540,40.01
Equity investment – associates	2,99.25	-	2,99.25
Equity investment - others	310,40.70	-	310,40.70
Debenture investment	15,12.18	-	15,12.18
Investment – CIG	254,53.19	-	254,53.19
Corporate guarantees	8.70	-	8.70
Loans given to subsidiaries	383,491.72	15,88.90	3819,02.82
Advances given to subsidiaries	619,65.57	-	619,65.57
Loans to Joint Ventures and Associates	83,81.00	-	83,81.00
Share Application Money	46.50	-	46.50

We draw attention to Note no. 8(e) of the Unaudited Standalone Financial Results, considering the fact that the accounts of these above mentioned foreign entities are not available with the management and for Indian entities, they are not audited since last 3-4 years plus also taking into accounts the factors such as accumulated losses in above said entities, substantial/ full erosion of net worth, significant uncertainty on the future of these entities and significant uncertainty on recovery of investments and loans, there are strong indicators of conducting impairment/ expected credit loss assessment for above mentioned investments and loans in accordance with the principles of Indian Accounting

Standards 36, “impairment of assets” and Indian Accounting Standards 109 “financial instruments”.

Further: -

- Equity investment – others include investment made in M/s Carnoustie Management (India) Private Limited (Carnoustie) of Rs. 310,05.45 lakhs as on 30<sup>th</sup> June, 2021. Regarding this investment, the Company has already filed an Intervention Application “IA” before Hon’ble Supreme Court of India wherein, the Company has stated that erstwhile management has invested in equity shares of Carnoustie @ Rs. 1,000 – Rs. 1,500 per share including a premium of Rs. 990 – Rs. 1,490 per share. As per IA submitted by the Company, there was no basis available with erstwhile management for such share valuation. Also, there were certain plots allotted to Carnoustie at a price lower than the market rate as on allotment date. Considering the nature of this investment, same is to be valued at fair value through other comprehensive income “FVTOCI” as required under Indian Accounting Standards 109 “financial instruments” but the Company has decided to carry investment made in Carnoustie at cost as the matter is subjudice.
- Investment – CIG – The Company made investment of Rs. 254,53.19 lakhs in CIG realty fund for which no details are available with the Company. As explained by management, the Company is planning to file a separate Intervention Application “IA” before Hon’ble Supreme Court of India requesting Hon’ble Court to take up this matter. Management also explained that CIG funds are already under investigation by Enforcement Directorate (ED) and Serious Fraud Investigation Office (SFIO). Considering the nature of this investment, same is to be valued at fair value through other comprehensive income “FVTOCI” as required under Indian Accounting Standards 109 “financial instruments” but the Company has decided to carry investment made in CIG funds at cost as the matter is under investigation by various authorities.

In view of non-existence of any impairment study, non-existence of any expected credit loss policy in the Company and accounting of investment at cost which were otherwise to be carried at FVTOCI, we are unable to conclude upon the adjustments, if any, that may be required to the carrying value of these non-current investments and non-current loan and its consequential impact on the Unaudited Standalone Financial Results.

We had given a disclaimer of opinion on the standalone financial statements for the year ended 31<sup>st</sup> March, 2021 in respect of this matter.

**(viii) Impairment Assessment of Bank and Corporate Guarantees**

The company is having outstanding bank and corporate guarantee of Rs. 2736,22.31 as per its last audited financials for year ending 31<sup>st</sup> March, 2021. The company has not conducted any impairment assessment on the same in accordance with the principles of Indian Accounting Standards 109 “financial instruments”. In view of the same, we are unable to conclude on the same.

We had given a disclaimer of opinion on the standalone financial statements for the year ended 31<sup>st</sup> March, 2021 in respect of this matter.

(ix) **Trade receivables and other financial assets**

The company has trade receivable and other financial assets as on 30<sup>th</sup> June, 2021 are as follows: -

Particulars	Amounts in Lakhs of Rs.		
	Amount	Provision accounted for till 30.06.2021	Carrying amount
Trade Receivable	79,964.67	31,521.87	48,442.80
Security Deposits	51,104.73	934.04	50,170.69
Non-Current Loans and Advances	100.00	-	100.00
Current Loans and Advances	576.24	520.00	56.24
Advances for purchase of Shares	31,079.48	31,079.48	-
Staff Imprest & Advances	47.47	-	47.47
Advances to others	13.08	-	13.08

We draw attention to Note no. 8(f) of the Unaudited Standalone Financial Results, the company has not assessed loss allowance for expected credit losses on financial assets in accordance with the principles of Indian Accounting Standards AS 109 - “Financial Instruments”.

In view of non-existence of any expected credit loss policy in the Company, we are unable to conclude upon the adjustments, if any, that may be required to the carrying value of these financial assets and its consequential impact on the Unaudited Standalone Financial Results.

We had given a disclaimer of opinion on the standalone financial statements for the year ended 31<sup>st</sup> March, 2021 in respect of this matter.

(x) **Inventory and project in progress**

We draw attention to Note no. 8(d) of the Unaudited Standalone Financial Results, Company, as on 30<sup>th</sup> June, 2021, has shown inventory of Rs. 62,517.96 Lakhs and project in progress “PIP” of Rs. 17,26,901.37 Lakhs. Company is currently carrying these inventory and PIP items at cost which is computed based on percentage of completion method under Indian Accounting Standard 115 “Revenue from Contracts with Customers”. In view of the fact that in majority of the projects of the Company, construction and other operational activities are on hold since last 18-60 months, there are high indicators that such inventory and PIP assets should be tested for evaluating their respective net realised value “NRV” in accordance with the requirement of Indian Accounting Standard 2 “inventories”.

Further, management is in the process of verification of title documents for land and other immovable assets.

As per the explanation provided by the management, pursuant to the approval of Hon'ble Supreme Court of India, Project Management Consultants (PMCs) have been appointed for the projects for estimation of work done till date, cost to be incurred further to complete the projects and to provide applicable completion timelines. These PMC's have also conducted actual physical assessment of the projects and submitted their reports. Management was earlier of the view that NRV assessment of inventory and PIP can be made only after the appointed PMCs complete their assessment of respective projects and submit their final reports but the same is still awaited.

In view of the absence of any NRV assessment by the management and absence of any physical verification report, we are unable to conclude upon the existence and adjustments, if any, that may be required to the carrying value of these inventories and PIP and its consequential impact on the Unaudited Standalone Financial Results.

We had given a disclaimer of opinion on the standalone financial statements for the year ended 31<sup>st</sup> March, 2021 in respect of this matter.

**(xi) External Confirmation**

The company has not initiated the process of external confirmation for outstanding balances of following areas as on 30<sup>th</sup> June, 2021 are as follow:

<b>Amounts in Lakhs of Rs.</b>			
<b>Particulars</b>	<b>Amount</b>	<b>Provision accounted for till 30.06.2021</b>	<b>Carrying amount</b>
Trade Receivable	79,964.67	31,521.87	48,442.80
Trade Payable	80,531.32	386.34	80,144.98
Advances received from Customers	11,20,626.96	-	11,20,626.96
Advances to Suppliers	7,283.83	-	7,283.83
Security Deposits	51,104.73	934.04	50,170.69
Loans and advances to Subsidiaries	4,45,457.29	1,588.90	4,43,868.39
Loans to Joint Venture and Associates	8,381.00	-	8,381.00
Other Loans and advances	676.24	520.00	156.24
Advances for purchase of land and project pending commencement	612,87.37	300,00.00	312,87.37
Loans from Subsidiaries, Joint Venture and Associates	75,431.80	-	75,431.80
Security and other deposits payable	42,538.15	-	42,538.15
Staff Imprest	47.47	-	47.47
Inter Corporate Deposits	13,853.66	-	13,853.66
Other Assets	5,743.70	-	5,743.70



We draw attention to Note no. 9 of the Unaudited Standalone Financial Results, the company has expressed its inability to send confirmation requests in respect of above-mentioned areas due to uncertainty about the amount receivable and payable appearing in the books of accounts which are outstanding for significantly long period of time. In view of non-existence of adequate supporting documents, we are unable to conclude upon completeness of the balances appearing in books of accounts of the Company.

We had given a disclaimer of opinion on the standalone financial statements for the year ended 31<sup>st</sup> March, 2021 in respect of this matter.

### **Bank confirmations**

In respect to confirmation of bank balances, margin money balance and term deposits, the company has not sent confirmation requests to any of the banks. In view of non-existence of supporting evidence related to bank balances, we are unable to comment upon completeness of the balances appearing in books of accounts of the Company and adjustments, if any, that may be required to the books of accounts and its consequential impact on the Unaudited Standalone Financial Results.

With respect to the loans and borrowings taken by the Company amounting to Rs. 2,81,552.31 Lakhs as on 30<sup>th</sup> June, 2021, no confirmation requests have been sent till date of this report. Interest expense on the said loans is accrued at a provisional rate of interest. Such provisional rate of interest is based on the details available with the Company regarding interest rates charged by banks/ financial institutions and the same are 4-5 years old. In view of these, we are unable to comment upon completeness of the balances appearing in books of accounts of the Company and adjustments, if any, that may be required to the books of accounts and its consequential impact on the Unaudited Standalone Financial Results.

We had given a disclaimer of opinion on the standalone financial statements for the year ended 31<sup>st</sup> March, 2021 in respect of this matter.

- (xii) We draw attention to Note no. 8(b) of the Unaudited Standalone Financial Results, Company is in the process of estimating impact of its contingent liabilities which is subject to the decision of hon'ble Supreme Court of India on proposed resolution framework submitted by the Company. In absence of the same, we are unable to express a conclusion on the impact of such contingent liabilities on the Company.

We had given a disclaimer of opinion on the standalone financial statements for the year ended 31<sup>st</sup> March, 2021 in respect of this matter.

- (xiii) We draw attention to Note no. 8(i) of the Unaudited Standalone Financial Results, Company has not appointed an internal auditor for the financial year 2020-21 which is in contravention of the provisions of section 138 of the Companies Act, 2013 which mandates appointment of internal auditor for all listed companies.

We had given a disclaimer of opinion on the standalone financial statements for the year ended 31<sup>st</sup> March, 2021 in respect of this matter.

- (xiv) We draw attention to Note no. 8(i) of the Standalone Financial Results, the company has not yet appointed a Chief Financial Officer and the prescribed time period under section 203 of the Companies Act, 2013 has already expired. Further the company has not filed any application with Ministry of Corporate Affairs for compounding of the said offence.

We had given a disclaimer of opinion on the standalone financial statements for the year ended 31<sup>st</sup> March, 2021 in respect of this matter.

- (xv) We draw attention to Note no. 10 of the Unaudited Standalone Financial Results, The Company has accounted for its investment in one of its subsidiary M/s Unitech Power Transmission Limited, as non-current assets held for sale. Cost of investment as on 30<sup>th</sup> June, 2021 is Rs. 42,26.26 lakhs. The Company is carrying said investment at cost and has not made any estimation of its fair value less cost to sell as required under provisions of Indian Accounting Standard 105 “Non-Current Assets Held for Sale and Discontinued Operations”. In the absence of any fair value assessment by the Company, we are unable to express a conclusion on the matter.

We had given a disclaimer of opinion on the standalone financial statements for the year ended 31<sup>st</sup> March, 2021 in respect of this matter.

- (xvi) The company has made many adjustments in accordance with Indian Accounting Standards applicable to the company as on 31<sup>st</sup> March, 2020. The company is in the process of identifying the impact already incorporated in the books of accounts in previous years. In view of the same, we are unable to express an opinion on completeness of the impact of Indian Accounting Standard appearing in the books of account of the company.

We had given a disclaimer of opinion on the standalone financial statements for the year ended 31<sup>st</sup> March, 2021 in respect of this matter.

**(xvii) Revenue from real estate projects**

We draw attention to Note no. 8(g) of the Unaudited Standalone Financial Results, The Company is accounting for revenue under real estate projects using percentage of completion method (POCM) with an understanding that performance obligations are satisfied over time. Provisions of paragraph 35 of Indian Accounting Standard 115 “revenue from contracts with customers” specifies that an entity can recognise revenue over time if it satisfies any one of the following criteria: -

- The customer simultaneously receives and consumes the benefits provided by the entity’s performance as the entity performs

- The entity’s performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced
- The entity’s performance does not create an asset with an alternative use to the entity and; the entity has an enforceable right to payment for performance completed to date.

On perusal of various agreements entered by the Company with home buyers, it seems that the Company does not satisfy any of the conditions specified in paragraph 35 of Indian Accounting Standard 115 “revenue from contracts with customers”.

Based on the explanation provided by the management, they are in agreement with our understanding and are in the process of evaluation its impact on the present and earlier presented periods.

In view of the same, we are unable to express a conclusion on the matter.

We had given a disclaimer of opinion on the standalone financial statements for the year ended 31<sup>st</sup> March, 2021 in respect of this matter.

(xviii) The Company has long outstanding statutory liabilities as on 30<sup>th</sup> June, 2021, details of which are as follows: -

<b>Nature of dues</b>	<b>Principal amount outstanding (Rs. in lakhs)</b>	<b>Outstanding since</b>
Income tax deducted at source	102,46.88	Financial Year 2014 - 2015
Professional Tax	0.59	Financial Year 2018 - 2019
Provident Fund	24,42.87	Financial Year 2015 - 2016

We draw attention to Note no. 12 of the Unaudited Standalone Financial Results, with respect to goods and services tax, the company has revoked the cancellation of its GST Registration in the state of Haryana, Tamilnadu, Punjab, Kerala, Karnataka and Odisha during the year. The company is in discussion with the authorities to release cancellation on its registration numbers in other states and is in process of filing returns with the authorities.

In view of the same, we are unable to express a conclusion on the matter.

We had given a disclaimer of opinion on the standalone financial statements for the year ended 31<sup>st</sup> March, 2021 in respect of this matter.

- (xix) We draw attention to Note no. 13 of the Unaudited Standalone Financial Results, The Company has failed to repay deposits accepted by it including interest thereon in respect of the following deposits:

Particulars	Unpaid matured deposits (Principal amount) as at 31 <sup>st</sup> March 2021	Principal paid during the current quarter (Rs. Lakhs)	Unpaid matured deposits (Principal amount) as at 30 <sup>th</sup> June 2021 (Rs. Lakhs)
Deposits that have matured on or before March 31, 2017	579,60.91	28,12.32	551,48.59

The total unpaid interest as on 30<sup>th</sup> June, 2021 (including interest not provided in the books) amount to Rs. 479,45.55 lakhs.

Further, the Company has not provided for interest payable on public deposits which works out to Rs. 1,678.08 lakhs for the current period ended 30<sup>th</sup> June 2021 (Cumulative upto 30<sup>th</sup> June 2021 – Rs. 300,63.84 lakhs).

Besides, the impact of non-provision of interest payable on public deposits of Rs. 1,678.08 lakhs for the quarter ended 30<sup>th</sup> June 2021 on the profit and loss, we are unable to evaluate the ultimate likelihood of penalties/ strictures or further liabilities, if any on the Company. Accordingly, impact, if any, of the indeterminate liabilities on these Unaudited Standalone Financial Results is currently not ascertainable, and hence we are unable to express a conclusion on this matter.

We had given a disclaimer of opinion on the standalone financial statements for the year ended 31<sup>st</sup> March, 2021 in respect of this matter.

- (xx) We draw attention to Note no. 11 of the Unaudited Standalone Financial Results, there have been delays in the payment of dues of non-convertible debentures, term loans & working capital loans (including principal, interest and/ or other charges as the case may be) to the lenders of the company and the total of such outstanding amount to Rs. 5,45,916.72 Lakhs as on 30<sup>th</sup> June, 2021. The lenders have initiated the action against the company under various act(s). On account of the same, we are unable to determine the impact of the likely outcome of the said proceedings and hence we are unable to express conclusion on this matter.

We had given a disclaimer of opinion on the standalone financial statements for the year ended 31<sup>st</sup> March, 2021 in respect of this matter.

(xxi) We draw attention to Note no. 14 of the Unaudited Standalone Financial Results of the Company as on 30<sup>th</sup> June, 2021 which contains the details of Intervention Application “IA” before Hon’ble Supreme Court of India wherein, the Company has stated that erstwhile management has invested in the state of Hyderabad through a collaboration agreement with M/s Dandamundi Estate and Mr. D.A. Kumar and deposited an amount of Rs. 481,31.00 lakhs (out of which an amount of Rs. 6,00.00 lakhs got adjusted on account of some dues of M/s Dandamundi Estate). Now the new management, is trying to recover the amounts deposited with M/s Dandamundi Estate and Mr. D.A. Kumar along with interest @ 18% pa and has not created any provision against said deposit in the books of accounts on account of matter being subjudice. In view of the same, we are unable to express a conclusion on this matter.

We had given a disclaimer of opinion on the standalone financial statements for the year ended 31<sup>st</sup> March, 2021 in respect of this matter.

(xxii) The company had entered into Joint Development Agreement with many of the other entities based on which company is recognising its proportionate interest in the agreement. As per the terms of the agreement, interest of each party shall be determined in the ratio of their respective shareholding in the respective lands. With respect to these agreements, we have not been provided with relevant documents/ details based on which land ratio/ interest of respective parties are determined. In the absence of before mentioned relevant details, we are unable to determine the accuracy of proportionate interest accounted for by the company for said joint operations and hence we are unable to express a conclusion on this matter.

(xxiii) With respect to opening balances appearing in the books of accounts of the Company as on 01<sup>st</sup> April, 2020, there is no information/ supporting documents available with the Company related to following accounts: -

- Other comprehensive income / (loss) amounting Rs. (523,31.93) lakhs
- Provision for bad and doubtful debts/ trade receivables amounting Rs. 323,73.95 lakhs
- Allowances for bad and doubtful loans and advances to related parties amounting to Rs. 15,89.04 lakhs
- Other loans and advance amounting to Rs. 520.00 lakhs
- Trade receivables and advances received from customers amounting Rs. 11930,75.62 Lakhs
- Loans/ advances given to subsidiaries, joint ventures and associates amounting to Rs. 4689,32.90 Lakhs
- Loans taken from subsidiaries, joint ventures and associates amounting to Rs. 74,192.20 Lakhs
- Advance for purchase of shares amounting to Rs. 310,79.48 Lakhs

- Expenses payable amounting to Rs. 51,612.66 Lakhs
- Current Tax Assets amounting to Rs. 3004.64 Lakhs
- Deferred Liability amounting to Rs. 2,36,049.12 Lakhs
- Advance given for purchase of land amounting to Rs. 61,287.37 Lakhs and its Ind AS adjustments amounting to Rs. 43,65.00 Lakhs.
- Provision for doubtful advance given for purchase of land amounting Rs. 30,000.00 Lakhs
- Investment in Subsidiary - Corporate Guarantee amounting to Rs. 8.70 Lakhs.
- Investment in CIG Funds (Ind AS Adjustments) amounting to Rs. 9,60.83 Lakhs.
- Security Deposits receivables (Ind AS Adjustments) amounting to Rs. 2,867.51 Lakhs.
- Prepaid Expenses (Ind AS Adjustments) amounting to Rs. 17.84 Lakhs.
- Loans to Subsidiaries (Ind AS Adjustments) amounting to Rs. 50,730.57 Lakhs.
- Term loans from bank and Financial Institution (Ind AS Adjustments) amounting to Rs. 63.93 Lakhs.
- Security Deposit payable (Ind AS Adjustments) amounting to Rs. 13.87 Lakhs.
- Statutory Dues (Ind AS Adjustments) amounting to Rs. 8.06 Lakhs.
- Other Payables (Ind AS Adjustments) amounting to Rs. 121,85.67 Lakhs
- Advance from Customers (Ind AS Adjustments) amounting to Rs. 121,70.42 Lakhs

Considering the significance of amounts involved in above mentioned areas, we are not in a position to express a conclusion on the Unaudited Standalone Financial Results as on 30<sup>th</sup> June, 2021.

We had given a disclaimer of opinion on the standalone financial statements for the year ended 31<sup>st</sup> March, 2021 in respect of this matter.

## **6. Disclaimer of conclusion**

*Our review indicates that, because of the substantive nature and significance of the matter described in paragraph 5, we have not been able to obtain sufficient appropriate evidence to provide a basis for expressing a conclusion on the statement as to whether these Unaudited Standalone Financial Results are prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other recognized accounting practices and policies generally accepted in India has disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 (as amended) including the manner in which it is to be disclosed, or that it does not contain any material misstatement.*

## 7. Other Matter:

- (i) We draw your attention to Note no. 16 to the standalone financial result. The Company had received an arbitral award dated 6<sup>th</sup> July 2012 passed by the London Court of International Arbitration (LCIA) wherein the arbitration tribunal has directed the Company to purchase the investment of Cruz City 1 (a company owned by Lehman Bros.) in Kerrush Investment Ltd. (Mauritius) at the overall value of USD 298,382,949.34 (Previous year ended 31st March 2019 – USD 298,382,949.34) equivalent to Rs. 224,085.59 lakhs (Previous year ended 31st March 2019 – Rs. 206,839.06 lakhs). The High Court of Justice, Queen’s Bench Division, Commercial Court London had confirmed the said award.

Further, consequent to the order passed by the Hon’ble High Court of Delhi in the case instant, the company is required to make the aforesaid investment into Kerrush Investments Ltd. (Mauritius). The decree of the aforesaid amount against the company is pending for execution.

Based on the information obtained and review procedures performed, we are unable to assess whether the underlying SRA project in Santacruz, Mumbai would be substantial to justify the carrying value of these potential investments.

We had mentioned this matter under “other matter” on the standalone financial statements for the year ended 31<sup>st</sup> March, 2021.

- (ii) We draw attention to Note no. 18 of the Unaudited Standalone Financial Results, A forensic audit of the Company was conducted as per directions of the Hon’ble Supreme Court, and the report on the forensic audit was submitted in a sealed envelope to the Hon’ble Supreme Court. We have been informed that the report on the forensic audit is not available with the Company or its Board of Directors; hence impact of observations in the forensic audit report can be ascertained only after the same is obtained.

We had mentioned this matter under “other matter” on the standalone financial statements for the year ended 31<sup>st</sup> March, 2021.

- (iii) We draw attention to Note no. 17 of the Unaudited Standalone Financial Results, we did not audit the financial statements/ information of Libya branch office, included in the standalone financial statements of the Company, whose financial statements/ information reflect total assets of Rs. 13,28.47 lakhs (Previous year 2020-21 Rs. 13,28.47 lakhs) as at 30<sup>th</sup> June, 2021 and total revenues of Rs. NIL (Previous year Rs. NIL) for the year ended on that date, as considered in the standalone financial statements and described above. The company has also made provision against all assets of Rs. 13,28.47 Lakhs (Previous year 2020-21 Rs. 13,28.47 Lakhs). The financial statements/ information of this branch has not yet been audited by the branch auditor due to the adverse political situation prevailing in Libya.

The company has also not applied for necessary approvals from AD category – 1 bank to write off all the assets and write back all the liabilities in the books of accounts.

We had mentioned this matter under “other matter” on the standalone financial statements for the year ended 31<sup>st</sup> March, 2021.

- (iv) The Unaudited Standalone Financial Results include figures of three months ended 31<sup>st</sup> March, 2021 as reported in these Unaudited Standalone Financial Results are the balancing figures between audited figures in respect of year ended 31<sup>st</sup> March, 2021 and published year to date figures upto 31<sup>st</sup> December, 2020.
- (v) We draw attention to Note no. 8(h) of the Standalone Financial Results, the company has shown income from maintenance charges amounting to Rs. 757.29 Lakhs during the year ended 30<sup>th</sup> June, 2021. We have not been provided with the relevant agreement/ supporting documents to verify completeness and accuracy of said income.

Due to non-availability of data and supporting documents, we are unable to express an conclusion on the same.

We had mentioned this matter under “other matter” on the standalone financial statements for the year ended 31<sup>st</sup> March, 2021.

**UDIN – 22529619ASFISI4088**

**For GSA & Associates LLP**  
Chartered Accountants  
Firm Registration No.: 000257N/ N500339



**Tanuj Chugh**  
Partner  
Membership No: 529619

Place: New Delhi  
Date: September 14, 2022



UNITECH LIMITED

CIN: L74899DL1971PLC009720

Regd. Office: 6, Community Centre, Saket, New Delhi 110017

Statement of Unaudited Standalone Financial Results for the Quarter ended June 30, 2021

(Rs. in lakhs except EPS)

Sl. No.	Particulars	Quarter Ended			Year Ended
		30.06.2021	31.03.2021	30.06.2020	31.03.2021
		Unaudited	Unaudited	Unaudited	Audited
1	Revenue from Operation	1,133.28	51.02	2,396.03	8,602.95
2	Other Income	89.51	274.83	60.23	568.07
3	<b>Total Income (1+2)</b>	<b>1,222.79</b>	<b>325.85</b>	<b>2,456.26</b>	<b>9,171.02</b>
4	<b>Expenses</b>				
	Real estate, Construction and Related Expenses including Cost of Land sold	1,086.96	4,130.08	80.29	12,292.72
	Changes in Inventories of finished properties, land, land development right and work in progress	-	-	-	-
	Employee Benefits Expense	330.20	908.48	869.34	2,959.28
	Finance Costs	21,774.57	21,647.64	19,523.07	81,365.20
	Depreciation and Amortisation Expense	61.24	62.74	73.37	267.51
	Other expenses	228.53	378.28	4,395.00	5,126.43
	<b>Total Expenses</b>	<b>23,481.51</b>	<b>27,127.23</b>	<b>24,941.07</b>	<b>1,02,011.14</b>
5	<b>Profit/(Loss) from Operations before Exceptional Items &amp; Tax (3-4)</b>	<b>(22,258.72)</b>	<b>(26,801.38)</b>	<b>(22,484.81)</b>	<b>(92,840.12)</b>
6	Exceptional Items / Provision for Impairment	-	-	(91,370.15)	(80,092.47)
7	<b>Profit/(Loss) before Tax (5+/-6)</b>	<b>(22,258.72)</b>	<b>(26,801.38)</b>	<b>(1,13,854.96)</b>	<b>(1,72,932.59)</b>
8	Tax Expense				
	(a) Current Tax				
	Current Year	-	-	-	-
	Less : MAT credit entitlement	-	-	-	-
	Earlier Years	-	(80.33)	-	(80.33)
	(b) Deferred Tax	-	38.91	24,711.48	24,828.02
9	<b>Net Profit from Ordinary Activities after tax (7+/-8)</b>	<b>(22,258.72)</b>	<b>(26,759.96)</b>	<b>(1,38,566.44)</b>	<b>(1,97,680.28)</b>
10	Extraordinary items (Net of Tax Expense)	-	-	-	-
11	<b>Net Profit for the Year (9+/-10)</b>	<b>(22,258.72)</b>	<b>(26,759.96)</b>	<b>(1,38,566.44)</b>	<b>(1,97,680.28)</b>
12	<b>Other Comprehensive Income / (Loss)</b>				
	A (i) Items that will be reclassified to Profit or Loss	-	-	-	-
	(ii) Income Tax relating to items that will be reclassified to Profit and Loss	-	-	-	-
	B (i) Items that will not be reclassified to Profit and Loss	97.60	675.67	4.13	839.62
	(ii) Income Tax relating to items that will not be reclassified to Profit and Loss	(11.37)	(234.30)	(1.17)	(255.44)
	<b>Total Other Comprehensive Income / (Loss)</b>	<b>86.23</b>	<b>441.37</b>	<b>2.97</b>	<b>584.19</b>
13	<b>Total Comprehensive Income (11+/-12)</b>	<b>(22,172.49)</b>	<b>(26,318.59)</b>	<b>(1,38,563.47)</b>	<b>(1,97,096.10)</b>
14	Other Equity excluding Revaluation Reserves	-	-	-	3,33,999.28
15	Paid-up equity share capital (Face Value - Rs. 2 per share)	52,326.02	52,326.02	52,326.02	52,326.02
16	Earning Per share (Before Extraordinary Items) (of Rs. 2 each) *( Not Annualised)				
	Basic and Diluted (Rs.)	(0.85)*	(1.03)*	(5.30)*	(7.56)
17	Earning Per share (After Extraordinary Items) (of Rs.2 each) *( Not Annualised)				
	Basic and Diluted (Rs.)	(0.85)*	(1.03)*	(5.30)*	(7.56)



*Y.S. Malik*  
**Y.S. MALIK, IAS (Retd.)**  
 Chairman & Managing Director  
 Unitech Limited

**Notes to the Statement of Unaudited Standalone Financial Results for the quarter ended 30<sup>th</sup> June, 2021**

1.	The above Financial Results, prepared on Standalone basis, have been reviewed by the Audit Committee and approved by the Board of Directors of Unitech Limited at their respective meetings held on 14 <sup>th</sup> September, 2022. The Statutory Auditors have carried out Limited Review of above Standalone Financial Results of the Company.
2.	The Company is primarily in the business of real estate development and related activities, including, construction, consultancy and rentals etc. Further, most of the business conducted is within the geographical boundaries of India. Accordingly, the Company's business activities primarily represent a single business segment and the Company's operations in India represent a single geographical segment.
3.	The above Financial Results have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed in section 133 of the Companies Act, 2013, read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, and the Companies (Indian Accounting Standards) Amendment Rules, 2016, subject to the matters mentioned in Notes below.
4.	The Company is in the process of considering the possible effects that may result from Covid-19 pandemic and other constraints on the carrying amount of Property, Plant & Equipment, Investments, Inventories, Receivables and other Current Assets.
5.	The Company is committed to hold Annual General Meeting for the financial year ended 31 <sup>st</sup> March, 2022 as early as possible.
6.	The Hon'ble Supreme Court, vide its order dated 20 <sup>th</sup> January 2020, has, <i>inter alia</i> , given directions that the Board of Directors of Unitech Limited, as existing on that date, be superseded with immediate effect in order to facilitate the taking over of management by the new Board of Directors constituted in terms of the proposal submitted by the Government of India. In these Unaudited Results, references have been made hereunder to the Resolution Framework (RF) for Unitech Group, which has been prepared and approved by the Board of Directors in their meeting held on 17.06.2020, followed by updations of the Resolution Framework approved by the Board of Directors in their subsequent meetings held on 10.09.2020, 28.10.2020 and 27.04.2022. The updated Resolution Framework has been placed before the Hon'ble Supreme Court on 08.08.2022.
7.	The Company has incurred losses in the current and previous years. The Company has huge challenges in meeting its operational obligations, current liabilities, including Bank Loans and Public Deposits. The Management of the Company, as appointed by Hon'ble Supreme Court, is in the process of estimating the contractual liabilities and the final outcome of contingent liabilities from the realizable value of the available assets at the contracted value in the current form. The Company, in compliance of the Hon'ble Supreme Court's order dated 20 <sup>th</sup> January 2020, has submitted the Resolution Framework and has requested the Hon'ble Supreme Court to grant some concessions and reliefs so that the Company is able to fulfill its obligations towards the construction of the projects and meet other liabilities. Pending the final decision of the Hon'ble Supreme Court, the Financial Results have accordingly been drawn.

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8.	<p>The Company is in the process of:</p> <ol style="list-style-type: none"> <li>reconciling the balances appearing in its books of accounts with the balances deposited with the Registry of the Hon'ble Supreme Court;</li> <li>estimating the impact of contingent liabilities in line with Resolution Framework submitted to the Hon'ble Supreme Court;</li> <li>conducting physical verification of property, plant &amp; equipment;</li> <li>conducting the assessment of Net Realizable Value (NRV) of its inventories and projects in progress;</li> <li>conducting impairment assessment of its investment in equity instruments, debentures, bonds, various funds, financial guarantees and other commitments, loans given and advances given to subsidiaries, associates and Joint Ventures;</li> <li>preparation of expected credit loss policy in relation to trade receivables, securities deposits, loans and advances given to others;</li> <li>re-evaluating the impact of Ind AS 115 and to conclude regarding effectiveness of existing accounting policy in line with Ind AS 115;</li> <li>collecting the project-wise service maintenance agreements and also checking and evaluating the maintenance charges basis cost sheets; and</li> <li>appointing the Internal Auditors for the Company and also selecting a suitable candidate for appointment of Chief Financial Officer for the Company.</li> </ol>
9.	<p>As regards trade payables, which primarily relate to the unpaid bills of Contractors and Vendors, and which prima facie may not be payable to the extent shown in the books, the management is in the process of ascertaining the genuineness of all the operational liabilities, which are being carried forward as a legacy from the erstwhile management in the accounts. As regards all other opening balances which are outstanding for a long period of time and which are also being carried forward as a legacy balance, the Company is in the process of collecting the supporting documents to take an appropriate decision in the matter. Further, the Company is in process of compiling banks statements/ bank balance confirmations from all the concerned banks of the Company.</p>
10.	<p>The Company has accounted for its investment in one of its subsidiary M/s Unitech Power Transmission Limited, as non-current assets held for sale. The Company is carrying the said investment at cost. Cost of investment as on 30<sup>th</sup> June, 2021, is Rs. 4,226.26 Lakhs.</p>
11.	<p>There have been delays in the payment of dues of non-convertible debentures, term loans &amp; working capital loans from Banks and Financial Institutions (including principal, interest and/or other charges as the case may be) and the total of such outstanding amounts to Rs. 5,43,808.46 Lakhs as on 30<sup>th</sup> June, 2021.</p>
12.	<p>The Group has various statutory liabilities outstanding since long and the same are unpaid due to matters being pending before various Adjudicating Authorities.</p>
13.	<p>Pursuant to section 74 (2) of the Companies Act, 2013, the Company had filed an application before the Hon'ble CLB [Now National Company Law Tribunal (NCLT)] for seeking, inter-alia, re-scheduling of repayment of the outstanding Public Deposits, including interest thereon as is considered reasonable, in March 2015. The Hon'ble NCLT dismissed the said application. The appeal against the said order was also dismissed by the Hon'ble NCLAT vide its order dated 31st</p>

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	<p>January, 2017.</p> <p>The Company has not provided for interest payable on Public Deposits since April 1<sup>st</sup>, 2017, which works out to Rs. 30,063.83 lakhs upto 30<sup>th</sup> June, 2021. The issue of payment of FD Holders is a part of the Resolution Framework, which is pending consideration of the Hon'ble Supreme Court.</p>
14.	<p>The erstwhile management had invested in Telangana State through a collaboration agreement with M/s Dandamundi Estate and Mr. D.A. Kumar and deposited an amount of Rs. 48,131.00 Lakhs (out of which an amount of Rs. 600.00 Lakhs got adjusted as part dues of M/s Dandamundi Estate). Now, the new management is trying to recover the amounts deposited with M/s Dandamundi Estate and Mr. D.A. Kumar along with interest @ 18% p.a. The Company has already filed an IA before Hon'ble Supreme Court for recovery of the amount. However, simultaneous efforts to find an amicable resolution of the issues is also being explored.</p>
15.	<p>The Company had received a 'cancellation of lease deed' notice from Greater Noida Industrial Development Authority ("GNIDA") dated 18 November 2015. As per the Notice, GNIDA cancelled the lease deed in respect of Residential/Group Housing plots on account of non-implementation of the project and non-payment of various dues amounting to Rs. 105,483.26 Lakhs. The Company had contractually entered into agreements with 352 homebuyers and has also received advances from such buyers amounting to Rs. 6,682.10 Lakhs (net of repayment). No contract revenue has been recognized on this project.</p> <p>GNIDA, in the meanwhile, deposited an amount of Rs. 7,436.35 Lakhs (Rs. 6,682.10 Lakhs and interest @ 6% on the principal amount of Rs. 6,682.10 Lakhs), in terms of the Order of the Hon'ble Supreme Court dated 18.09.2018 with the registry of the Hon'ble Supreme Court on behalf of the Company, out of the monies paid by the Company. This amount stands refunded to about 352 homebuyers on the directions of the Hon'ble Supreme Court.</p> <p>The matter in respect of the land is still pending before the Hon'ble High Court of Allahabad for final disposal, the Company has, subsequently, shown the amount of Rs. 18,339.80 Lakhs as recoverable from GNIDA in its books of account. Further, the Company is also carrying other construction costs amounting to Rs. 80,650.70 Lakhs in respect of the projects to come up on the said land.</p> <p>Further, the Management is also in the process of filing a comprehensive IA before the Hon'ble Supreme Court qua GNIDA demands from Unitech, including seeking appropriate directions on the instant issue.</p>
16.	<p>The Company received an arbitral award dated 6<sup>th</sup> July 2012 passed by the London Court of International Arbitration (LCIA) wherein the arbitration tribunal has directed the Company to purchase the investment of Cruz City 1 (a Company owned by Lehman Bros.) in Kerrush Investment Ltd. (Mauritius) at the overall value of USD 298,382,949.34 (Previous year - USD 298,382,949.34) equivalent to Rs. 221,181.14 Lakhs (Previous year - Rs. 218,524.04 Lakhs). The High Court of Justice, Queen's Bench Division, Commercial Court London had confirmed the said award.</p> <p>Further, consequent to the order passed by the Hon'ble High Court of Delhi in the case instant, the Company is required to make the aforesaid investment into Kerrush Investments Ltd. (Mauritius). The decree of the aforesaid amount against the Company is pending for execution. However, the management is exploring the possibilities of filing an IA in the Supreme Court on this subject.</p>
17.	<p>The Company has a branch office in Libya, whose financial statements/information reflect total assets of Rs. 1,328.47 Lakhs (Previous year - Rs.</p>

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	1,328.47 Lakhs) as on 30 <sup>th</sup> June, 2021 and total revenues of Rs. NIL (Previous year - NIL) for the year ended on that date, as considered in the Standalone Financial Statements as described above. The Company has also made provision against all assets of Rs. 1,328.47 Lakhs (Previous year - Rs. 1,328.47 Lakhs). The financial statements/ information of this branch have not been audited by the branch auditor due to the adverse political situation prevailing in Libya.
18.	A Forensic Audit of the Company was conducted as per directions of the Hon'ble Supreme Court, and the report on the forensic audit was submitted in a sealed cover to the Hon'ble Supreme Court. The report on the Forensic Audit is not available with the Company or its Board of Directors, hence, the impact of observations of the Forensic Audit Report can only be ascertained only after the same is made available.
19.	The Company has not created any kind of Deferred Tax Assets on account of lack of reasonable certainty of having taxable profits and in foreseeable future against which such tax assets can be adjusted.
20.	The figures of the previous year have been re-grouped/ re-arranged wherever considered necessary for the purpose of comparison.

*YJM*



Place: Gurugram  
Dated: 14.09.2022

For Unitech Limited

*Yudhvir Singh Malik*

Yudhvir Singh Malik  
Chairman & Managing Director