



**R. NAGPAL ASSOCIATES**  
CHARTERED ACCOUNTANTS

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

**To the Board of Directors,  
UNITECH LIMITED**

1. **Unitech Limited** ("the Company") failed to hold its Annual General Meeting (AGM) due on or before 30<sup>th</sup> September 2018, pursuant to section 96 of the Companies Act, 2013, to transact the agenda including the approval of Accounts for the year ended 31<sup>st</sup> March 2018. The Company applied to the Registrar of Companies, NCT of Delhi & Haryana, for extension of period by three months for holding the AGM, but the same was rejected. The said AGM has not yet been held as of date. However, in view of the fact that audit had been conducted by us for the financial year 2017-18 and also the report was issued by us on the Accounts duly approved by the Board & signed by the directors as stipulated under the Companies Act, 2013, we had proceeded with the audit engagement of the subsequent year i.e. year ended 31<sup>st</sup> March 2019 taking the opening balances from the audited Balance Sheet of year ended 31<sup>st</sup> March 2018 duly approved by the Board. Subsequently, in view of the fact that audit had been conducted by us for the financial year 2018-19 and also the report was issued by us on the Accounts duly approved by the Board & signed by the directors as stipulated under the Companies Act, 2013, we have proceeded with the audit engagement of the subsequent year i.e. year ended 31<sup>st</sup> March 2020 taking the opening balances from the audited Balance Sheet of year ended 31<sup>st</sup> March 2019 duly approved by the Board. Needless to mention that the AGM due on or before 30<sup>th</sup> September 2019, pursuant to section 96 of the Companies Act, 2013, to transact the agenda including the approval of Accounts for the year ended 31<sup>st</sup> March 2019 has not been held by the Company.
2. The Hon'ble Supreme Court vide its order dated 20<sup>th</sup> January 2020 has, *inter alia*, given directions that the Board of Directors of Unitech Limited, as existing on that date, be superseded with immediate effect in order to facilitate the taking over of management by the new Board of Directors constituted in terms of the proposal submitted by the Union Government of India. We 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, and which has been filed with the Hon'ble Supreme Court. Subsequent corrections/modifications have been done in the RF and approved by the Company's Board in their meeting held on September 10, 2020. However, the modified RF has not yet been filed with the Hon'ble Supreme Court. The RF contains various proposals like determining admitted liabilities & claims, proposing non-payment of penalty, interest, default interest or damages to creditors, stakeholders, homebuyers, landowners, leaseholders or any Authority, detailing the resolution framework for company's projects, detailing the resolution framework for non-project assets etc. The RF seeks various reliefs and concessions like (a) Homebuyers' Credit Lines, (b) Immunity for the Board, their appointed key management personnel, employees, advisors and consultants for any action taken by them in good faith, (c) Grant of benefits to the Company, its subsidiaries and joint ventures and Project Entities of protections similar to section 32A of the Insolvency and Bankruptcy Code, 2016, (d) Priority Finance and other borrowings for implementation of the Framework, and (e) Tax related reliefs and concessions. Besides the RF also seeks some specific directions like Imposition of moratorium, Consolidation of Unitech Group, No-requirement of registration under RERA, amongst others. As the RF has not yet been approved by the Hon'ble Supreme Court, the impact of the proposed reliefs, concessions etc. will be considered at that point of time.

3. We were engaged to review the accompanying statement of unaudited standalone financial results of the Company for the quarter and half year ended 30<sup>th</sup> September 2019 ("the 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 ("the Regulations") as amended, read with SEBI Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 ('the Circular').
4. The preparation of the Statement in accordance with 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, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India read with the Circular, is the responsibility of the Company's Management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the Statement based on our review.
5. 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 Auditors 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 is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion. We believe that our review provides a reasonable basis for our disclaimer of conclusion on the Statement, on matters mentioned in para 6(a) to 6(h) below.

6. We draw attention to the following:

- a) 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.105483.26 lakhs. As per the notice, and as per the relevant clause of the bye-laws/contractual arrangement with the Company, 25% of the total dues amounting to Rs.13893.42 lakhs were to be forfeited out of the total amount paid till date. The Company has incurred total expenditure of Rs.213962.69 lakhs [comprising of (i) the amounts paid for land dues and stamp duty Rs.34221.90 lakhs, (ii) the balance portions of the total amounts payable, including contractual interest accrued till 31st March 2016, of Rs.99091.90 lakhs; and (iii) other construction costs amounting to Rs. 80648.89 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 397 buyers and has also received advances from such buyers amounting to Rs 6682.10 lakhs (net of repayment). No contract revenue has been recognized on this project. The erstwhile Management had written a letter to GNIDA dated 1st December 2015, wherein it had stated that the cancellation of the lease deed was wrong, unjust and arbitrary. Further, the said erstwhile management had also described steps taken for implementation of the project and valid business reasons due to delays till date. Further, the said erstwhile management had also proposed that in view of the fact that third party interests have been created by the Company in the allotted land, by allotting plots to different allottees, in the interest of such allottees, GNIDA should allow the Company to retain an area of approximately 25 acres out of the total allotted land of approximately 100 acres and that the amount paid by the Company till date be adjusted against the price of the land of 25 acres and remaining surplus amount may be adjusted towards dues of other projects of the Company under GNIDA.



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.7436.35 lakhs (Rs 6682.10 lakhs and interest @ 6% on the principal amount of Rs 6682.10 lakhs), out of the monies paid by the Company, with the registry of the Hon'ble Supreme Court.

Subsequent to the end of the quarter, GNIDA has adjusted Rs.9200.00 lakhs of Unitech group's liabilities towards the Company's other projects with GNIDA and forfeited Rs.13893.42 lakhs.

The Company had paid a sum of Rs.34221.90 lakhs, including Rs 4934.95 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.18339.80 lakhs as recoverable from GNIDA in its books of account. Further, the Company is also carrying other construction costs amounting to Rs. 80648.89 lakhs in respect of the projects to come up on the said land.

The impact on the accounts viz. inventory, projects in progress, customer advances, amount payable to or receivable from GNIDA, cannot be ascertained, since the matter is still sub-judice, as mentioned hereinabove, vis-à-vis dues of the Company, 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, 2019 in respect of this matter.

- b). 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. 33,615.60 lakhs deposited with the Hon'ble Supreme Court Registry ("Registry") is outstanding as at 30<sup>th</sup> September 2019. Certain transactions have been made from the Registry viz. payments mainly towards refunds given to some of the Company's home buyers, payments made to fixed deposit holders, payments made to ex-employees, amounts paid to the Company for meeting construction expenses, payments made to forensic auditors out of interest accrued, and amounts paid to the amicus curiae towards reimbursement of expenses. Due to non-availability of any statement of account from the Registry, these transactions have been recorded by the Company in its books of account on the basis of limited information available and the amount of Rs. 33,615.60 lakhs has been accounted for under the head "Other Assets" in the unaudited standalone financial statements. Moreover, there would be significant amount of interest accrued on the aforesaid deposits which are not accounted for in the books due to non-availability of details. The management has requested the learned amicus curiae to provide the relevant bank statement and balance confirmations. The final reconciliation can take place only after receipt of the same. In the absence of detailed 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 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, 2019 in respect of this matter.

- c). According to information available and explanations obtained, in respect of (a) non-current investments (Long term Trade investments) aggregating to Rs.141,575.01 lakhs in subsidiaries and (b) loans and advances aggregating to Rs. 403,058.20 lakhs (net of bad & doubtful) given to these subsidiaries for acquisition of land on behalf of the company, it has been observed from the perusal of the financial statements of these subsidiaries/companies that some of these subsidiaries/companies have accumulated losses and their respective net worth have been fully/substantially eroded. These conditions, along with absence of clear indications or plans for revival, in our opinion, indicate that there is significant uncertainty and doubt about the recovery of the loans and advances from these subsidiaries by way of sale of land and recoverability of other assets. Further, there is a clear indication that there is a decline in the carrying amount of these investments which is other than temporary.

Consequently, in terms of stated accounting policies and applicable accounting standards, and due to the fact that the realizable value of assets, mainly comprising of investment directly or indirectly in land, of some of these subsidiaries is far lesser than the advance given to/investment made by the Company in these subsidiaries, the diminution in the value of such Investments, which is other than temporary, is estimated to be Rs. 50,384.83 lakhs upto 30<sup>th</sup> September 2019 (Previous year ended 31<sup>st</sup> March, 2019 - Rs.27,113.69 lakhs(net of impairment loss provided)) and the accrual for diminution of doubtful loans and advances is estimated to be Rs. 38,893.03 lakhs upto 30<sup>th</sup> September 2019 (Previous year ended 31<sup>st</sup> March, 2019 - Rs.27,221.97 lakhs), and such diminution aggregating to Rs. 89,277.87 lakhs needs to be accounted for.

In the absence of significant developments/movements in the operations of these parties and any adjustment for diminution of carrying value of such investments in this regard (except for those adjustments for diminution already provided for as mentioned hereinabove), in our opinion, management has not adequately or sufficiently accounted for the imminent diminution. Moreover, looking at the size of the land in these subsidiaries, their sale-ability, and uncertainty as to whether such land can be realized at their respective circle rates or more, it is indeterminate as to what extent of further losses can be expected, 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, 2019 in respect of this matter.



The Company has, subsequent to the quarter, provided for diminution in the value of such investments to the extent of Rs. 21,645.17 lakhs

- d). An amount of Rs. 81,718.18 lakhs is outstanding as at 30<sup>th</sup> September 2019 (Previous year ended 31st March 2019 – Rs. 88,100.52 lakhs) which is comprised of trade receivables pertaining to sale of land, properties, finished goods, commercial plots/properties of various kinds. Out of the total trade receivables, which include long term receivables amounting to Rs.34,275.68 lakhs, in our opinion such receivables amounting to Rs. 18,747.25 lakhs as at 30<sup>th</sup> September 2019 (Previous year ended 31st March 2019 – Rs.18,600.64 lakhs) are doubtful of recovery. However, we are unable to ascertain whether all of the long overdue outstanding trade receivables are fully recoverable/adjustable, since the outstanding balances as at 30<sup>th</sup> September 2019 are outstanding/remained unadjusted for a long period of time. Based on our assessment and review procedures performed, in our opinion, management ought to provide/accrue for the diminution for the aforesaid trade receivables amounting to Rs. 18,747.25 lakhs in the these quarterly results. The recovery of such trade receivables are dependent on the sale of land held by these debtors and their realize-ability, which, looking at the size of the land held by these debtors, their sale-ability, and uncertainty as to whether such land can be realized at their respective circle rates or more, it is indeterminate as to what extent of further losses can be expected, and hence we are unable to express a conclusion on this matter.

Further, considering the above, the measurement of expected credit loss on the trade receivables cannot be applied.

We had given a disclaimer of opinion on the standalone financial statements for the year ended 31<sup>st</sup> March, 2019 in respect of this matter.

The Company has, subsequent to the quarter, provided for diminution in the value of the long term trade receivables referred to above to the extent of Rs. 30,877.70 lakhs.

- e). 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 2019 (Rs. lakhs)	Principal paid during the current period (Rs. lakhs)	Unpaid matured deposits (Principal amount) as at 30 <sup>th</sup> September 2019 (Rs. lakhs)
Deposits that have matured on or before March 31, 2017	53,014.17	32.31	52,981.86

The total unpaid interest as on 30th September 2019 (including interest not provided in the books) amounts to Rs. 39,566.57 lakhs.

Further, the Company has not provided for Interest payable on public deposits which works out to Rs.1,785.92 lakhs for the current period ended 30<sup>th</sup> September 2019 (Cumulative upto 30<sup>th</sup>



September 2019 – Rs. 17,783.46 lakhs). Such un-provided interest payable has been worked out on the outstanding public deposits in the books of account, without considering the unidentified repayments made by the Hon'ble Supreme Court as mentioned in Para 6(b) above.

Pursuant to Section 74(2) of the Companies Act, 2013, the Company had made an application to the Hon'ble Company Law Board (CLB)(subsequently replaced by the Hon'ble National Company Law Tribunal, New Delhi) seeking extension of time for repayment of the outstanding public deposits (including interest thereon) as is considered reasonable. The Company had identified and earmarked 6 (six) unencumbered land parcels for sale and utilization of the sale proceeds thereof for repayment of the aforesaid outstanding deposits. However, during the financial year 2016-17, the Hon'ble National Company Law Tribunal, New Delhi (NCLT) vide its order dated 04.07.2016 dismissed the said application. On appeal against the said order, the Hon'ble National Company Law Appellate Tribunal, New Delhi (NCLAT) vide its order dated 03.11.2016 extended the date of repayment of deposits upto 31.12.2016. Subsequently, the said appeal was also disposed off by the Hon'ble NCLAT vide its order dated 31.01.2017 without granting any further extension of time. As explained to us, the Company has made best possible efforts for sale of the land parcels earmarked for repayment of the deposits but such sale process has not yielded any results.

Considering that the erstwhile management had not been able to comply with the directions given by the Hon'ble CLB, NCLT and NCLAT to repay the deposits within prescribed time-period, the Registrar of Companies, New Delhi had filed prosecution against the Company and its erstwhile management before the Ld. Special Court, Dwarka District Court, New Delhi. However, the Hon'ble High Court of Delhi had stayed the said prosecution, and had subsequently vide its order dated 22.01.2019, allowed the petitions filed by the Company and erstwhile management by setting aside & vacating the impugned Dwarka District court order dated 20.9.2016 with regard to summoning of the erstwhile management.

Few depositors had filed an intervention application before the Hon'ble Supreme Court in the pending bail matter of the erstwhile Managing Directors of the Company. Considering their application, the Hon'ble Supreme Court had, vide its order dated 30.10.2017, directed an amicus curiae to create a portal where the depositors could provide their requisite information and, accordingly, in compliance with this direction, a portal had been created for the depositors of the Company. Accordingly, the matter relating to delay in repayment to the depositors is presently pending before the Hon'ble Supreme Court. The Hon'ble Supreme Court, out of the proceeds collected into the designated account of its Registry out of sale of land and other properties of Unitech/it's group, has made allocations of amount to be refunded to the public-deposit holders.

Subsequent to the new Board of Directors taking over the management, a resolution framework has been submitted to the Hon'ble Supreme Court by the Company, as mentioned in Para 2 above, for addressing the matters of home buyers, fixed deposit holders and others. At present



the resolution framework is under the consideration of the Hon'ble Supreme Court. The final quantum of liability of these cases can be ascertained only upon the final decision by the Hon'ble Supreme Court.

Besides, the impact of non-provision of interest payable on public deposits of Rs. 1,785.92 lakhs for the quarter ended 30<sup>th</sup> September 2019 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, 2019 in respect of this matter.

- f). Advances amounting to Rs. 39,977.03 lakhs (net of provision for doubtful advances) (previous year ended 31<sup>st</sup> March, 2019 - Rs.48,359.64 lakhs(net of provision for doubtful advances)) are outstanding in respect of advances for purchase of land, projects pending commencement, joint ventures and collaborators which, as represented by the management, have been given in the normal course of business to land owning companies, collaborators, projects and for purchase of land. As per information made available to us and explanations given to us Rs. Nil had been recovered / Rs.3,750.00 lakhs has been provided for doubtful advances during the current quarter.

We are unable to ascertain whether all the remaining outstanding advances, mentioned above, are fully recoverable/adjustable, since the said outstanding balances are outstanding/remained unadjusted for a long period of time, and further, in our opinion, neither the amounts recovered nor rate of recovery of such long outstanding amounts in the previous years & current period, give an indication that all of the remaining outstanding amounts may be fully recoverable; consequently, we are unable to ascertain whether all of the remaining balances as at 30<sup>th</sup> September 2019 are fully recoverable. Accordingly, we are unable to ascertain or comment upon the impact, if any, on the loss or on the reserves or on value of asset, that may arise in case any of these remaining advances are subsequently determined to be doubtful of recovery, 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, 2019 in respect of this matter.

- g). 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 who have taken action against the Company for recovery of their



dues and the total of such outstandings amount to Rs. 248,298.71 lakhs. The lenders have initiated action under the SARFAESI Act to take over the respective properties provided as security to the lenders. The Company has challenged the action of the lenders before the various forums of Debt Recovery Tribunals(DRT). We are unable to determine the impact of the likely outcome of the said proceedings before the DRT on the properties given as security to the lenders, and on the corresponding loans and also unable to evaluate the ultimate likelihood of penalties/ strictures or further liabilities; 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, 2019 in respect of this matter.

**h. Material Uncertainty Related to Going Concern**

The management has prepared these unaudited standalone financial results 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.

As mentioned earlier, subsequent to the new Board of Directors taking over the management, a Resolution Framework has been submitted to the Hon'ble Supreme Court by the Company, as mentioned in Para 2 above, wherein the Company has requested the Hon'ble Supreme Court to grant numerous reliefs so that the Company is able to meet its operational obligations and settle its liabilities. The Board has also submitted in the RF that on the basis of review of records and finances of Unitech group as currently available, it appears that Unitech Group has significant negative net worth and may not be able to attract a resolution/ settlement under the Insolvency and Bankruptcy Code (IBC). At present the resolution framework is under the consideration of the Hon'ble Supreme Court.

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.

**7. We draw attention to the following other matters:**



- a). The Hon'ble Supreme Court had vide its Order dated 08.09.2017 appointed an amicus curiae with directions to create a web portal where the home buyers could indicate their option of (i) refund of money they have paid to the Company/companies in the group, for purchasing residential units, or (ii) possession of house. The Hon'ble Supreme Court has started the process of giving refunds out of the amounts deposited by the Company with the court's registry and has ordered to issue partial refunds to those customers who have obtained a decree for refund from any judicial forum;

As mentioned earlier, subsequent to the new Board of Directors taking over the management, a resolution framework has been submitted to the Hon'ble Supreme Court by the Company, as mentioned in Para 2 above, for addressing the matters of home buyers, fixed deposit holders and others. At present the resolution framework is under the consideration of the Hon'ble Supreme Court. The final quantum of liability of these cases can be ascertained only upon the final decision by the Hon'ble Supreme Court.

The Company, out of abundant caution, has not included the inventory of these home buyers as unsold inventory and, till the final settlement of customers claims who have opted for refund, shall continue to show their corresponding advances as a current liability under 'Advance received from Customers'.

- b). IL&FS Financial Services Limited (ILFS) had entered into binding understanding in March 2018 for acquisition of various plotted units of land at the Company's Unworld resort at Mohali, Punjab in settlement of outstanding dues of ILFS. The outstanding dues of ILFS of Rs.21,255.05 lakhs comprised of principal loan of Rs.21,072.02 lakhs and interest accrued of Rs.182.23 lakhs as at 31st March 2018. In terms of the aforementioned binding understanding, the Company had, in the financial year ended 31st March 2018, adjusted a sum of Rs.21,255.05 lakhs against the outstanding dues by settlement against various plotted units and recognizing sales of Rs.21,255.05 lakhs, and consequently the liability of ILFS was reduced to Rs.Nil as at 31st March 2018. The Company had also not provided for the interest charged by ILFS for the period from 1st April 2018 to 31st December 2018 (had the loan been re-instated in the books of account of the Company), nor had it provided for the uncharged interest for the period 1st January 2019 to 31st March 2019.

However, in the financial year ended 31<sup>st</sup> March 2019, the Company, upon obtaining balance confirmation statement from ILFS, which had been provided only as at 31st December 2018, observed that the statement of ILFS reflected an unascertained adjustment of dues of Rs.172.78 lakhs, and moreover, ILFS had charged additional interest amounting to Rs.3448.48 lakhs for the period from 1st April 2018 to 31st December 2018. ILFS has not provided any confirmation as at 31st March 2019 or thereafter.



The Company, in these standalone financial results, has not reversed the sales (to the extent not recognized by ILFS), which it had adjusted by way of settlement against plotted units of lands in the financial year ended 31st March 2018. The Company has also not provided for the interest payable to ILFS for the period from 1<sup>st</sup> April 2018 to 30<sup>th</sup> September 2019 which works out to approximately Rs.4429 lacs.

The sales have, however, been reversed and interest has also been provided subsequent to this quarter.

- c). We draw attention that no adjustment has been considered necessary for recoverability of investment in share capital/projects aggregating to Rs. 2821.00 lakhs (Previous year ended 31st March, 2019 - Rs.2814.39 lakhs) as the matters are still sub-judice and the impact, if any is unascertainable at this stage.
- d). The Company had received an arbitral award dated 6th 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 31<sup>st</sup> March 2019- USD 298,382,949.34) equivalent to Rs. 209,882.57 lakhs (Previous year ended 31<sup>st</sup> 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.

- e). The internal auditors appointed by the Company have resigned during the current financial year. Internal audit reports were not made available to us for the period.
- f). 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.

8. *Because of the substantive nature and significance of the matters described in paragraph 6(a) to 6(h) above, 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:*

(i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and

(ii) give a true and fair view of the net loss, total comprehensive income and other financial information for the quarter and half year ended 30<sup>th</sup> September 2019.

For R. Nagpal Associates  
Chartered Accountants  
Firm Registration No. 002626N



*[Signature]*  
(CA. Ravinder Nagpal)  
Partner

Membership No. 081594

Place: Gurugram

Date: 9/11/2020

UDIN-20081594AAAAIN4849

**UNITECH LIMITED**

CIN: L74899DL1971PLC009720

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

**Statement of Standalone Results**

**for the Quarter and Half Year Ended September 30, 2019**

(Rs. in Lakhs except EPS)

Sl. No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30.09.2019 (Unaudited)	30.06.2019 (Unaudited)	30.09.2018 (Unaudited)	30.09.2019 (Unaudited)	30.09.2018 (Unaudited)	31.03.2019 Audited
1.	Revenue from Operations	35,593.65	9,387.14	9,461.74	44,980.79	17,090.81	50,803.45
2.	Other Income	238.29	2,389.15	541.86	2,627.44	707.53	2,652.93
3.	<b>Total Income (1+2)</b>	<b>35,831.94</b>	<b>11,776.29</b>	<b>10,003.60</b>	<b>47,608.23</b>	<b>17,798.34</b>	<b>53,456.38</b>
4.	<b>Expenses</b>						
	Real estate, Construction and Related Expenses	26,720.10	5,687.23	13,433.99	32,407.33	18,951.29	52,036.66
	Changes in Inventories of finished properties, land, land development right and work in progress	147.82	-	234.79	147.82	255.45	336.75
	Employee Benefits Expense	1,230.28	1,316.52	1,450.36	2,546.80	2,991.79	5,768.95
	Finance Costs	8,940.74	8,567.44	7,260.77	17,508.18	14,619.70	42,681.61
	Depreciation and Amortisation Expense	76.74	35.11	83.69	111.85	166.52	449.70
	Other expenses	4,274.94	4,077.75	586.46	8,352.69	1,155.18	17,143.80
	<b>Total Expenses</b>	<b>41,390.62</b>	<b>19,684.05</b>	<b>23,050.06</b>	<b>61,074.67</b>	<b>38,139.93</b>	<b>118,417.47</b>
5.	<b>Profit/(Loss) from Operations before Exceptional Items &amp; Tax (3-4)</b>	<b>(5,558.68)</b>	<b>(7,907.76)</b>	<b>(13,046.46)</b>	<b>(13,466.44)</b>	<b>(20,341.59)</b>	<b>(64,961.09)</b>
6.	Exceptional items	-	-	-	-	-	(6,878.65)
7.	<b>Profit/(Loss) before Tax (5+/-6)</b>	<b>(5,558.68)</b>	<b>(7,907.76)</b>	<b>(13,046.46)</b>	<b>(13,466.44)</b>	<b>(20,341.59)</b>	<b>(71,839.74)</b>
8.	<b>Tax Expense</b>						
	(a) Current Tax						
	Current Year	-	-	-	-	-	-
	Less : MAT credit entitlement	-	-	-	-	-	-
	Earlier Years	1.53	-	-	1.53	-	446.79
	(b) Deferred Tax	2,891.40	(15.12)	41.38	2,876.28	41.38	(5,554.94)
9.	<b>Net Profit from Ordinary Activities after tax (7+/-8)</b>	<b>(8,451.61)</b>	<b>(7,892.64)</b>	<b>(13,087.84)</b>	<b>(16,344.25)</b>	<b>(20,382.97)</b>	<b>(66,731.59)</b>
10.	Extraordinary Items (Net of Tax Expense)	-	-	-	-	-	-
11.	<b>Net Profit/(Loss) for the period (9+/-10)</b>	<b>(8,451.61)</b>	<b>(7,892.64)</b>	<b>(13,087.84)</b>	<b>(16,344.25)</b>	<b>(20,382.97)</b>	<b>(66,731.59)</b>
12.	Other Comprehensive Income (net of tax)	15.69	(46.96)	(12.62)	(31.27)	(26.12)	(4,791.14)
13.	<b>Total Comprehensive Income (11+/-12)</b>	<b>(8,435.92)</b>	<b>(7,939.60)</b>	<b>(13,100.46)</b>	<b>(16,375.52)</b>	<b>(20,409.09)</b>	<b>(71,522.73)</b>
14.	Other Equity excluding Revaluation Reserves						664,850.03
15.	Paid-up equity share capital (Face Value - Rs. 2/- per share)	52,326.02	52,326.02	52,326.02	52,326.02	52,326.02	52,326.02
16.	<b>Earning Per share (Before Extraordinary Items)</b> <b>(of Rs. 2/- each ) *( Not Annualised)</b>						
	Basic and Diluted (Rs.)	(0.32)*	(0.30)*	(0.50)*	(0.62)*	(0.78)*	(2.55)
17.	<b>Earning Per share (After Extraordinary Items)</b> <b>(of Rs.2/- each ) *( Not Annualised)</b>						
	Basic and Diluted (Rs.)	(0.32)*	(0.30)*	(0.50)*	(0.62)*	(0.78)*	(2.55)



As certified by the C. F. O.

*Y. S. Malik*  
(Y. S. Malik)  
CMD, Unitech Limited

Unitech Limited  
CIN: L74899DL1971PLC009720  
Regd. Office: 6, Community Centre, Saket, New Delhi 110017  
**Standalone Statement of Assets & Liabilities**

(Rs. in Lakhs)

Sl. No.	Particulars	As At September 30, 2019	As At March 31, 2019
<b>A</b>	<b>Assets</b>		
<b>1</b>	<b>Non Current assets</b>		
	Property, Plant and Equipment	2,077.60	1,926.77
	Capital Work in Progress	1,665.19	1,665.19
	Investment property	1,229.05	1,238.81
	Other Intangible Assets	12.55	12.71
<b>2</b>	<b>Financial Assets</b>		
	(i) Investments	241,143.65	241,645.96
	(ii) Loans	2,269.78	4,828.87
	(iii) Others	94.59	89.23
	Deferred tax Assets (Net)	24,471.41	27,338.20
	Other non current Assets	10.20	27.08
	<b>Total - Non Current Assets</b>	<b>272,974.02</b>	<b>278,772.82</b>
<b>3</b>	<b>Current Assets</b>		
	Inventories	66,571.81	66,719.63
<b>4</b>	<b>Financial Assets</b>		
	(i) Investments	-	-
	(ii) Trade Receivable	81,718.17	88,100.52
	(iii) Cash and Cash equivalents	2,249.19	3,532.00
	(iv) Bank balance other than (iii) above	3,036.88	4,426.43
	(v) Loans	482,470.80	482,158.78
	(vi) others	34,356.24	31,264.08
	Current Tax assets (Net)	14,535.06	21,253.06
	Other Current Assets	1,002,265.62	980,364.86
	<b>Total - Current Assets</b>	<b>1,687,203.77</b>	<b>1,677,819.36</b>
	<b>Non Current Assets Classified As Held For Sale</b>	<b>4,226.26</b>	<b>4,226.26</b>
	<b>Total - Assets</b>	<b>1,964,404.05</b>	<b>1,960,818.44</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>Equity</b>		
	Equity Share Capital	52,326.02	52,326.02
	Other Equity	633,474.51	649,850.03
	<b>Total - Equity</b>	<b>685,800.53</b>	<b>702,176.05</b>
<b>2</b>	<b>Non Current Liabilities</b>		
	<b>Financial Liabilities</b>		
	(i) Borrowing	135,538.74	147,563.85
	(ii) Other Financial Liabilities	532.85	545.58
	(iii) Long Term Provisions	1,511.28	1,511.27
	<b>Total - Non Current Liabilities</b>	<b>137,582.87</b>	<b>149,620.70</b>
<b>3</b>	<b>Current Liabilities</b>		
	<b>Financial Liabilities</b>		
	(i) Borrowings	106,253.47	109,856.83
	(ii) Trade payables	70,407.75	70,895.52
	(iii) Other Financial Liabilities	456,546.98	423,095.02
	Other Current Liabilities	507,477.20	504,839.07
	Provisions	335.25	335.25
	<b>Total - Current Liabilities</b>	<b>1,141,020.85</b>	<b>1,109,021.89</b>
	<b>Total - Equity and Liabilities</b>	<b>1,964,404.05</b>	<b>1,960,818.44</b>

Note : Previous year figure(s) have been regrouped wherever considered necessary.



As certified by the C. F. O.

(Y. S. Malik)  
CMD, Unitech Limited

## CASH FLOW STATEMENT

For the period ended 30th September, 2019

(Rs. In Lakhs)

	As At 30.09.2019	As At 31.03.2019
<b>Cash flow from operating activities</b>		
Profit/(Loss) before tax	(13,466.44)	(71,839.74)
Adjustments for:		
Interest income	(2,444.10)	(620.56)
Interest on income tax refund	-	(1,374.47)
Unrealised foreign exchange (gain)/loss	19.54	(59.30)
(Profit) / loss on disposal of tangible PPE - net	(1.04)	1.54
Liabilities written back	-	(0.04)
Provision for Impairment/fair value of Investment	-	6,878.65
Borrowing costs:- Charged to profit and loss account	17,508.18	42,681.60
IND AS and other adjustments	(40.76)	(163.53)
Dividend Income	-	(272.99)
Depreciation and amortization expenses	111.85	449.70
Bad debts/advances written off	-	55.70
Provision against doubtful debts/advances	7,500.00	15,370.70
<b>Operating loss before working capital changes</b>	<b>9,187.23</b>	<b>(8,898.73)</b>
Adjustments for:		
Trade Payables , Financial & Other Liabilities	5,562.38	64,744.43
Provisions	-	(113.75)
Inventories	147.82	63.13
Trade and other receivables	6,362.80	3,351.77
Loans & Advances & Other Assets	(29,101.23)	(57,997.92)
<b>Cash generated/(used) from/in operations</b>	<b>(7,840.99)</b>	<b>1,148.92</b>
Income taxes (paid)/ refund received- net	6,716.47	941.34
<b>Net cash flow from operating activities (A)</b>	<b>(1,124.52)</b>	<b>2,090.26</b>
<b>Cash flow from investing activities</b>		
Sale of PPE including capital work in progress and investment property	4.70	3.11
Dividend received	-	272.99
(Purchase)/Sale of investments (net)	502.31	464.44
Interest received	2,444.13	450.04
<b>Net cash flow from investing activities (B)</b>	<b>2,951.14</b>	<b>1,190.57</b>
<b>Cash flow from financing activities</b>		
Proceeds of long term borrowings	1,261.00	12,609.35
Repayment of long term borrowings	(973.78)	(8,127.53)
Proceeds from short term borrowings	-	-
Repayment of short term borrowings	(78.78)	(8.02)
Borrowing cost paid	(3,317.87)	(5,813.15)
<b>Net cash flow from financing activities (C)</b>	<b>(3,109.43)</b>	<b>(1,339.34)</b>
<b>Net Change in cash and cash equivalents (A+B+C)</b>	<b>(1,282.82)</b>	<b>1,941.50</b>
<b>Net Change in cash and cash equivalents at the beginning of the year</b>	<b>3,532.00</b>	<b>1,590.51</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>2,249.19</b>	<b>3,532.00</b>



As certified by the C. F. O.

 (Y. S. Malik)  
 CMD, Unitech Limited

## UNITECH LIMITED

STANDALONE

## CASH FLOW STATEMENT

For the period ended 30th September, 2019

(Rs. In Lakhs)

	As At 30.09.2019	As At 31.03.2019
<b>Components of cash and cash equivalents</b>		
Cash on hand	30.72	26.66
Cheques, drafts on hand	264.22	-
Balances with banks		
- on current accounts	1,942.36	2,051.04
- in current account in Foreign current account	11.88	11.88
- in deposit account (with maturity of 3 months or less)	-	1,442.42
<b>Total cash and cash equivalents</b>	<b>2,249.19</b>	<b>3,532.00</b>
* represent balance with Wahda Bank, Libya which is having repatriation restriction		

## Notes:

- (i) The cash flow statement has been prepared under the Indirect Method as set out in IND AS-7 Cash Flow Statements.
- (ii) Amounts in brackets represent a cash outflow or a loss.
- (iii) Previous year figures have been re-grouped/re-arranged wherever considered necessary.




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**Notes:**

I	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 9 <sup>th</sup> November 2020.
II	The Hon'ble Supreme Court vide its order dated 20 <sup>th</sup> January 2020 has, inter alia, 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 Union Government of India. References have been made hereunder 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.
III	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.
IV	The Company has adopted Indian Accounting Standards ("Ind AS") from April 01, 2016 as prescribed under Section 133 of the Companies Act 2013 read with the relevant rules issued there under and the other accounting principles generally accepted in India. Financial results for all the periods presented herein have been prepared in accordance with the recognition and measurement principles as stated therein the applicable IND AS.
V	<p>Effective April 1, 2019, the Company adopted Ind AS 116 'Leases' using the modified retrospective method and there is no significant impact on the Financial results.</p> <p>Lessee: The Company has elected not to recognise a lease liability and a right-of-use asset for leases for which the lease term ends within twelve months of April 1, 2019 and has accounted for these leases as short-term leases. The lease payment associated with these lease are recognized as an expenses on a straight line basis over the lease term.</p> <p>Lessor: Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. The title to the assets and the significant risks associated with the operation and maintenance of these assets remains with the Company, such arrangements are recognised as operating lease.</p>
VI	<p>The limited review report of the statutory auditors on the unaudited standalone financial results of Unitech Limited for the quarter and half year ended September 30, 2019, contains disclaimer of conclusions on certain matters which is being summarised below:-</p> <p>a) 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.105483.26 lakhs. As per the notice, and as per the relevant clause of the bye-laws/contractual arrangement with the Company, 25% of the total dues amounting to Rs.13893.42 lakhs were to be forfeited out of the total amount paid till date. The Company has incurred total expenditure of Rs.213962.69 lakhs [comprising of (i) the amounts paid for land dues and stamp duty Rs.34221.90 lakhs, (ii) the balance portions of the total amounts payable, including contractual interest accrued till 31st March 2016, of Rs.99091.90 lakhs; and (iii) other construction costs amounting to Rs. 80648.89lakhs]. 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</p>

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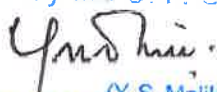
  
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	<p>possession of this land. The Company had contractually entered into agreements to sell with 397 buyers and has also received advances from such buyers amounting to Rs 6682.10 lakhs (net of repayment). No contract revenue has been recognized on this project. The erstwhile Management had written a letter to GNIDA dated 1st December 2015, wherein it had stated that the cancellation of the lease deed was wrong, unjust and arbitrary. Further, the said erstwhile management had also described steps taken for implementation of the project and valid business reasons due to delays till date. Further, the said erstwhile management had also proposed that in view of the fact that third party interests have been created by the Company in the allotted land, by allotting plots to different allottees, in the interest of such allottees, GNIDA should allow the Company to retain an area of approximately 25 acres out of the total allotted land of approximately 100 acres and that the amount paid by the Company till date be adjusted against the price of the land of 25 acres and remaining surplus amount may be adjusted towards dues of other projects of the Company under GNIDA.</p> <p>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.7430.35 lakhs (Rs 6602.10 lakhs and interest @ 6% on the principal amount of Rs 6682.10 lakhs), out of the monies paid by the Company, with the registry of the Hon'ble Supreme Court.</p> <p>Subsequent to the end of the quarter, GNIDA has adjusted Rs.9200.00 lakhs of Unitech group's liabilities towards the Company's other projects with GNIDA and forfeited Rs.13893.42 lakhs.</p> <p>The Company had paid a sum of Rs.34221.90 lakhs, including Rs 4934.95 lakhs of stamp duty on the land for the said land.</p> <p>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.18339.80 lakhs as recoverable from GNIDA in its books of account. Further, the Company is also carrying other construction costs amounting to Rs. 80648.89 lakhs in respect of the projects to come up on the said land.</p> <p>The impact on the accounts viz. inventory, projects in progress, customer advances, amount payable to or receivable from GNIDA, cannot be ascertained, since the matter is still sub-judice, as mentioned hereinabove, vis-à-vis dues of the Company, and hence we are unable to express a conclusion on this matter.</p> <p><b>The management, in response of the above qualification, states the following:-</b></p> <p>The Management is hopeful that its stand shall be vindicated in the court of law and there shall be no adverse impact, other than the ones already disclosed.</p>
b)	<p>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.33,615.60 lakhs deposited with the Hon'ble Supreme Court Registry ("Registry") is outstanding as at 30<sup>th</sup> September 2019. Certain transactions have been made from the Registry viz. payments mainly towards refunds given to some of the Company's home buyers, payments made to fixed deposit holders, payments made to ex-employees, amounts paid to the Company for meeting construction expenses, payments made to forensic auditors out of interest accrued, and amounts paid to the amicus curiae towards reimbursement of expenses. Due to non-availability of any statement of account from the Registry, these transactions have been recorded by the Company in its books of account on the basis of limited information available and the amount of Rs.33,615.60 lakhs has been accounted for under the head "Other Assets" in the unaudited standalone financial statements. Moreover, there would be significant amount of interest accrued on the aforesaid deposits which are not accounted for in the books due to non-availability of details. The management has requested the learned amicus curiae to provide the relevant bank statement and balance confirmations. The final reconciliation can take place only after receipt of the same. In the absence of detailed 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 express a conclusion on this matter.</p> <p><b>The management, in response of the above qualification, states the following:-</b></p> <p>It is a matter of reconciliation with the Registry of the Hon'ble Supreme Court. The company is trying to get better information from the registry and there shall be no adjustment required in the statement of Profit &amp; Loss, as such.</p>

As certified by the C. F. O.

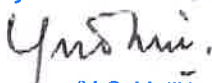
  
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	<p>c) According to information available and explanations obtained, in respect of (a) non-current investments (Long term Trade investments) aggregating to Rs.141,575.01 lakhs in subsidiaries and (b) loans and advances aggregating to Rs. 403,058.20 lakhs (net of bad &amp; doubtful) given to these subsidiaries for acquisition of land on behalf of the company, it has been observed from the perusal of the financial statements of these subsidiaries/companies that some of these subsidiaries/companies have accumulated losses and their respective net worth have been fully/substantially eroded. These conditions, along with absence of clear indications or plans for revival, in our opinion, indicate that there is significant uncertainty and doubt about the recovery of the loans and advances from these subsidiaries by way of sale of land and recoverability of other assets. Further, there is a clear indication that there is a decline in the carrying amount of these investments which is other than temporary.</p> <p>Consequently, in terms of stated accounting policies and applicable accounting standards, and due to the fact that the realizable value of assets, mainly comprising of investment directly or indirectly in land, of some of these subsidiaries is far lesser than the advance given to/investment made by the Company in these subsidiaries, the diminution in the value of such investments, which is other than temporary, is estimated to be Rs. 50,384.83 lakhs upto 30<sup>th</sup> September 2019 (Previous year ended 31st March, 2019 - Rs.27,113.69 lakhs (net of impairment loss provided)) and the accrual for diminution of doubtful loans and advances is estimated to be Rs.38,893.03 lakhs upto 30<sup>th</sup> September 2019 (Previous year ended 31st March, 2019 - Rs.27,221.97 lakhs), and such diminution aggregating to Rs. 89,277.87 lakhs needs to be accounted for.</p> <p>In the absence of significant developments/movements in the operations of these parties and any adjustment for diminution of carrying value of such investments in this regard (except for those adjustments for diminution already provided for as mentioned hereinabove), in our opinion, management has not adequately or sufficiently accounted for the imminent diminution. Moreover, looking at the size of the land in these subsidiaries, their sale-ability, and uncertainty as to whether such land can be realized at their respective circle rates or more, it is indeterminate as to what extent of further losses can be expected, and hence we are unable to express a conclusion on this matter.</p> <p>The Company has, subsequent to the quarter, provided for diminution in the value of such investments to the extent of Rs.21,645.17lakhs</p> <p><b>The management, in response of the above qualification, states the following:-</b></p> <p>Management has evaluated this matter and has subsequent to the quarter provided for the diminution in the value of such investments to the extent of Rs. 35,747.61 lakhs as mentioned above by the auditors, and is of the firm view that the no further diminution in the value of investments is required. Further, the management is also of the firm view that no diminution in the value of the loans and advances given to the subsidiaries shall be required; and accordingly no provision/impairment other than those already accounted for, has been considered necessary.</p> <p>D An amount of Rs. 81,718.18 lakhs is outstanding as at 30<sup>th</sup> September 2019 (Previous year ended 31st March 2019 – Rs.88,100.52 lakhs) which is comprised of trade receivables pertaining to sale of land, properties, finished goods, commercial plots/properties of various kinds. Out of the total trade receivables, which include long term receivables amounting to Rs.34,275.68 lakhs, in our opinion such receivables amounting to Rs. 18,747.25 lakhs as at 30<sup>th</sup> September 2019 (Previous year ended 31st March 2019 – Rs.18,600.64 lakhs) are doubtful of recovery. However, we are unable to ascertain whether all of the long overdue outstanding trade receivables are fully recoverable/adjustable, since the outstanding balances as at 30<sup>th</sup> September 2019 are outstanding/remained unadjusted for a long period of time. Based on our assessment and review procedures performed, in our opinion, management ought to provide/accrue for the diminution for the aforesaid trade receivables amounting to Rs. 18,747.25 lakhs in the these quarterly results. The recovery of such trade receivables are dependent on the sale of land held by these debtors and their realize-ability, which, looking at the size of the land held by these debtors, their sale-ability, and uncertainty as to whether such land can be realized at their respective circle rates or more, it is indeterminate as to what extent of further losses can be expected, and hence we are unable to express a conclusion on this matter.</p> <p>Further, considering the above, the measurement of expected credit loss on the trade receivables cannot be applied.</p> <p><b>The management, in response of the above qualification, states the following:-</b></p>
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The Hon'ble Supreme Court vide its order dated 20th January 2020 replaced the then board of directors of the company and replaced it with current board of directors(hereinafter called the new management). The new management in pursuit to identify and recover the investments, advances and overdue debtors allowed by the earlier management has sought the co-operation from the erstwhile chairman and managing directors. The response of the erstwhile chairman and managing directors is awaited and till then it would not be prudent on the part of the new management to diminish the value of these investments and advances.

- e) 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 2019 (Rs. lakhs)	Principal paid during the current period (Rs. lakhs)	Unpaid matured deposits (Principal amount) as at 30 <sup>th</sup> September 2019 (Rs. lakhs)
Deposits that have matured on or before March 31, 2017	53,014.17	32.31	52,981.86

The total unpaid interest as on 30th September 2019 (including interest not provided in the books) amounts to Rs. 39,566.57 lakhs.

Further, the Company has not provided for interest payable on public deposits which works out to Rs.1,785.92 lakhs for the current period ended 30<sup>th</sup> September 2019 (Cumulative upto 30<sup>th</sup> September 2019 – Rs. 17,783.46 lakhs). Such un-provided interest payable has been worked out on the outstanding public deposits in the books of account, without considering the unidentified repayments made by the Hon'ble Supreme Court as mentioned in Para 6(b) above.

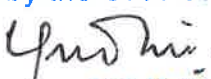
Pursuant to Section 74(2) of the Companies Act, 2013, the Company had made an application to the Hon'ble Company Law Board (CLB)(subsequently replaced by the Hon'ble National Company Law Tribunal, New Delhi) seeking extension of time for repayment of the outstanding public deposits (including interest thereon) as is considered reasonable. The Company had identified and earmarked 6 (six) unencumbered land parcels for sale and utilization of the sale proceeds thereof for repayment of the aforesaid outstanding deposits. However, during the financial year 2016-17, the Hon'ble National Company Law Tribunal, New Delhi (NCLT) vide its order dated 04.07.2016 dismissed the said application. On appeal against the said order, the Hon'ble National Company Law Appellate Tribunal, New Delhi (NCLAT) vide its order dated 03.11.2016 extended the date of repayment of deposits upto 31.12.2016. Subsequently, the said appeal was also disposed off by the Hon'ble NCLAT vide its order dated 31.01.2017 without granting any further extension of time. As explained to us, the Company has made best possible efforts for sale of the land parcels earmarked for repayment of the deposits but such sale process has not yielded any results.

Considering that the erstwhile management had not been able to comply with the directions given by the Hon'ble CLB, NCLT and NCLAT to repay the deposits within prescribed time-period, the Registrar of Companies, New Delhi had filed prosecution against the Company and its erstwhile management before the Ld. Special Court, Dwarka District Court, New Delhi. However, the Hon'ble High Court of Delhi had stayed the said prosecution, and had subsequently vide its order dated 22.01.2019, allowed the petitions filed by the Company and erstwhile management by setting aside & vacating the impugned Dwarka District court order dated 20.9.2016 with regard to summoning of the erstwhile management.

Few depositors had filed an intervention application before the Hon'ble Supreme Court in the pending bail matter of the erstwhile Managing Directors of the Company. Considering their application, the Hon'ble Supreme Court had, vide its order dated 30.10.2017, directed an amicus curiae to create a portal where the depositors could provide their requisite information and, accordingly, in compliance with this direction, a portal had been created for the depositors of the Company. Accordingly, the matter relating to delay in repayment to the depositors is presently pending before the Hon'ble Supreme Court. The Hon'ble Supreme Court, out of the proceeds collected into the designated account of its Registry out of sale of land and other properties of Unitech/it's group, has made allocations of amount to be refunded to the public-deposit holders.

Subsequent to the new Board of Directors taking over the management, a resolution framework has been

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CMD, Unitech Limited





	<p>submitted to the Hon'ble Supreme Court by the Company, as mentioned in Para 5 above, for addressing the matters of home buyers, fixed deposit holders and others. At present the resolution framework is under the consideration of the Hon'ble Supreme Court. The final quantum of liability of these cases can be ascertained only upon the final decision by the Hon'ble Supreme Court.</p> <p>Besides, the impact of non-provision of interest payable on public deposits of Rs. 1,785.92 lakhs for the quarter ended 30<sup>th</sup> September 2019 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.</p> <p><b>The management, in response of the above qualification, states the following:-</b></p> <p>The Public Deposits are due to be paid but due to liquidity situation could not be paid. As rightly stated by the auditors the matter of Depositors has been referred in the Resolution Framework and the Company shall abide the decision of the Hon'ble Court in this regard</p>
f)	<p>Advances amounting to Rs.39,977.03lakhs (net of provision for doubtful advances) (previous year ended 31st March, 2019 - Rs.48,359.64lakhs(net of provision for doubtful advances)) are outstanding in respect of advances for purchase of land, projects pending commencement, joint ventures and collaborators which, as represented by the management, have been given in the normal course of business to land owning companies, collaborators, projects and for purchase of land. As per information made available to us and explanations given to us Rs. Nil had been recovered / Rs.3,750.00lakhs has been provided for doubtful advances during the current quarter.</p> <p>We are unable to ascertain whether all the remaining outstanding advances, mentioned above, are fully recoverable/adjustable, since the said outstanding balances are outstanding/remained unadjusted for a long period of time, and further, in our opinion, neither the amounts recovered nor rate of recovery of such long outstanding amounts in the previous years &amp; current period, give an indication that all of the remaining outstanding amounts may be fully recoverable; consequently, we are unable to ascertain whether all of the remaining balances as at 30<sup>th</sup> September 2019 are fully recoverable. Accordingly, we are unable to ascertain or comment upon the impact, if any, on the loss or on the reserves or on value of asset, that may arise in case any of these remaining advances are subsequently determined to be doubtful of recovery, and hence we are unable to express a conclusion on this matter.</p> <p><b>The management, in response of the above qualification, states the following:-</b></p> <p>Advances for the purchase of land, projects pending commencement and to joint ventures and collaborators have been stated to have been given in the normal course of business to land owning companies, collaborators, projects and for purchase of land. The new management in pursuit to identify and recover the advances made by the earlier management has sought the co-operation from the erstwhile chairman and managing directors. The response of the erstwhile chairman and managing directors is awaited and till then it would not be prudent on the part of the new management to diminish the value of these advances.</p>
g)	<p>There have been delays in the payment of dues of non-convertible debentures, term loans &amp; working capital loans (including principal, interest and/or other charges as the case may be) to the lenders of the Company who have taken action against the Company for recovery of their dues and the total of such outstandings amount to Rs.248,298.71lakhs. The lenders have initiated action under the SARFAESI Act to take over the respective properties provided as security to the lenders. The Company has challenged the action of the lenders before the various forums of Debt Recovery Tribunals(DRT). We are unable to determine the impact of the likely outcome of the said proceedings before the DRT on the properties given as security to the lenders, and on the corresponding loans and also unable to evaluate the ultimate likelihood of penalties/ strictures or further liabilities; and hence we are unable to express a conclusion on this matter.</p> <p><b>The management, in response of the above qualification, states the following:-</b></p> <p>The amount as has been stated, has already been provided in the books of accounts and payment/recovery of dues by the lenders shall not affect the statement of Profit &amp; Loss. The matter has already been referred in the</p>

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	resolution framework and the final payment for principal and/or interest shall be made in accordance with the decisions of the Hon'ble Supreme Court in this regard
h)	<p>The management has prepared these unaudited standalone financial results 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.</p> <p>As mentioned earlier, subsequent to the new Board of Directors taking over the management, a Resolution Framework has been submitted to the Hon'ble Supreme Court by the Company, as mentioned in Para 2 above, wherein the Company has requested the Hon'ble Supreme Court to grant numerous reliefs so that the Company is able to meet its operational obligations and settle its liabilities. The Board has also submitted in the RF that on the basis of review of records and finances of Unitech group as currently available, it appears that Unitech Group has significant negative net worth and may not be able to attract a resolution/ settlement under the Insolvency and Bankruptcy Code (IBC). At present the resolution framework is under the consideration of the Hon'ble Supreme Court.</p> <p>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.</p> <p>Considering the above, we are unable to express a conclusion on this matter.</p> <p><b>The management, in response of the above qualification, states the following:-</b></p> <p>The management has already stated its position and submitted its proposal to the Hon'ble Supreme Court in this regard</p>
VII	The figures of previous year have been re-grouped/re-arranged wherever considered necessary for the purpose of comparison.

Place: Gurugram  
Dated: November 9th, 2020



For Unitech Limited

Yudhvir Singh Malik  
Chairman

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(Y. S. Malik)  
CMD, Unitech Limited