

G S A & Associates LLP
Chartered Accountants

Independent Auditor's Review Report on the Quarterly and Year to Date for the period ended 31st December, 2020 Unaudited Standalone 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 31st December, 2020 and Year to date results for the period from 1st April, 2020 to 31st December, 2020 ("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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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:

The Hon'ble Supreme Court vide its order dated 20th 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 "UOI". In Compliance of the Direction, new Board of Directors, as appointed by Union Government of India, took charge of office on 21st January, 2020.

Board members appointed by UOI has since then been trying to get hold of numerous transactions entered by erstwhile management and trying to compile records and other information related to the same. Since the quantum of such transactions and amounts involved is very high, process related to compiling / identification of previous year records including agreements, detailed breakup of transactions etc. is still in process.

Considering the above-mentioned facts and based on our review of the books, we draw attention to the followings matters:

- (i) We draw attention to Note no. 6 of the Unaudited Standalone Financial Results, Unitech Limited ("the Company") failed to hold its Annual General Meeting (AGM) due on or before 30th September, 2021 (extended till 30th November, 2021 vide notification number ROC-CHN/96-AGM/2021 dated 23rd September, 2021), as required under section 96 of the Companies Act, 2013, to transact the agenda including the approval of Accounts for the year ended 31st March, 2021. The Company has not applied for any extension for the same to the Registrar of Companies, NCT of Delhi & Haryana. The Company is in process of estimation of penalty and other implications due to non-holding of annual general meeting.

Further, the Company has not made any request letter to Security and Exchange Board of India "SEBI" for extension of time for submission of quarterly reviewed results for the quarter ended 30th June, 2020 and 30th September, 2020 and for the quarter ended and year to date reviewed results for quarter ended 31st December, 2020. The Company is getting emails from National Stock Exchange "NSE" and Bombay Stock Exchange "BSE" for imposing penalties due to non-filing of the results to the tune of Rs. 5,000 per day during the period of default. The Company has not taken any provision of such penalty in the books of accounts and Company is planning to seek relief against such penalty from SEBI.



(ii) We draw attention to Note no. 7 of the Unaudited Standalone Financial Results, 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 17th June, 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 10th September, 2020. 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, temporary exemption from compliances 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. have not been considered in the books of accounts.

(iii) Material uncertainty related to going concern

We draw attention to Note no. 8 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.

As mentioned earlier, subsequent to the new Board of Directors taking over the management, a Resolution Framework (RF) has been submitted to the Hon'ble Supreme Court by the Company, as mentioned in the opening paragraphs of this report, 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 but also considering the fact that there are more than 15,000 homebuyers who have invested in various projects of the Company, the resolution/settlement provisions under the Insolvency and Bankruptcy Code (IBC) should not be applied on the Company. 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.

Previous auditor had given a disclaimer of opinion on the standalone financial statements for the year ended 31st March, 2020 in respect of this matter.

- (iv) We draw attention to Note no. 9 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. 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. 13,893.42 lakhs were to be forfeited out of the total amount paid till date. The Company has incurred (a) the amounts paid for land dues and stamp duty Rs. 34,221.90 lakhs, (b) the balance portions of the total amounts payable, including contractual interest accrued till 31st March 2016, of Rs. 99,091.90 lakhs; and (c) other construction costs amounting to Rs. 80,575.05 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. 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. 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 other construction costs amounting to Rs. 806,50.70 lakhs in respect of the projects to come upon the said land which also includes interest capitalised of Rs. 696,84.68 lakhs.

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 subjudice, as mentioned hereinabove, vis-à-vis dues of the Company, and hence we are unable to conclude on this matter.

The company has deferred liability on account of interest payable to GNIDA appearing in the books of accounts as on 31st December, 2020 amounting to Rs. 2649,53.00 Lakhs (including Rs. 291,68.59 Lakhs booked on account of interest during the period of nine month ended 31st December, 2020)

Previous auditor had given a disclaimer of opinion on the standalone financial statements for the year ended 31st March, 2020 in respect of this matter.

- (v) We draw attention to Note no. 10 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. 480,66.95 lakhs deposited with the Hon'ble Supreme Court Registry ("Registry") is outstanding as at 31st December, 2020. 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.



Previous auditor had given a disclaimer of opinion on the standalone financial statements for the year ended 31st March, 2020 in respect of this matter.

- (vi) We draw attention to Note no. 11 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. 1,876.92 Lakhs (net of accumulated depreciation of Rs. 7,087.31 Lakhs), there is no physical verification conducted by the Company since last year. Further, the company does not maintain proper records showing full particulars, including quantitative details and situation of Fixed Assets comprising 'property, plant and equipment, 'capital work-in-progress' & '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.

(vii) Non-current investment and loans

Company has made investments and given loans to its subsidiaries, joint ventures, associates and other. Details as on 31st December, 2020 are as follows: -

Particulars	Amounts in Lakhs of Rs.		
	Amount invested	Impairment accounted for till 31.12.2020	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	540,39.63	-	540,39.63
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	398,298.03	15,89.05	396,708.98
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. 12 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 31st December, 2020. 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.

(viii) Impairment Assessment of Bank and Corporate Guarantees

We draw attention to Note no. 12 of the Unaudited Standalone Financial Results, wherein it is stated that the company is having outstanding bank and corporate guarantee of Rs. 2736,22.31 as per audited financials for year ending 31st March, 2020. 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 comment on the same.



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

The company has trade receivable and other financial assets as on 31st December, 2020 are as follows: -

Particulars	Amount	Amounts in Lakhs of Rs.	
		Provision accounted for till 31.12.2020	Carrying amount
Trade Receivable	79,170.40	32,410.19	46,760.21
Security Deposits	53,162.47	3,111.81	50,050.66
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	224.62	-	224.62
Advances to others	13.08	-	13.08

We draw attention to Note no. 13 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.

Previous auditor had given a disclaimer of opinion on the standalone financial statements for the year ended 31st March, 2020 in respect of this matter.

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

We draw attention to Note no. 14 of the Unaudited Standalone Financial Results, Company, as on 31st December, 2020, has shown inventory of Rs. 62,517.96 Lakhs and project in progress "PIP" of Rs. 1,721,405.57 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".

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 are now in process of submitting their reports. Management is 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.

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.

(xi) External Confirmation

The company has not initiated the process of external confirmation for outstanding balances of following areas as on 31st December, 2020 are as follow:

Particulars	Amount	Amounts in Lakhs of Rs.	
		Provision accounted for till 31.12.2020	Carrying amount
Trade Receivable	79,170.40	32,410.19	46,760.21
Trade Payable	81,540.93	1,287.33	80,253.60
Advances received from Customers	1,119,234.69	-	1,119,234.69
Advances to Suppliers	7,367.14	-	7,367.14
Security Deposits	53,162.47	3,111.81	50,050.66
Loans and advances to Subsidiaries	4,60,263.60	1,589.05	4,58,674.55
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	753,45.30	-	753,45.30
Security and other deposits payable	220,97.59	-	220,97.59
Staff Imprest	224.62		224.62
Inter Corporate Deposits	13853.66	-	13853.66
Other Assets	13014.19	-	13014.19

We draw attention to Note no. 15 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.



Previous auditor had given a disclaimer of opinion on the standalone financial statements for the year ended 31st March, 2020 in respect of this matter.

Bank confirmations

In respect to confirmation of bank balances, the company has sent confirmation requests to all the banks. Out of 551 bank accounts, we have received direct balance confirmation from banks for 18 bank accounts amounting to Rs. 355.22 Lakhs as on 31st December, 2020. We have been provided with bank statements, as provided by company, for 161 bank accounts amounting to Rs. 1269.63 Lakhs as on 31st December, 2020. For remaining 116 bank accounts amounting to Rs. 235.17 lakhs as on 31st December, 2020, company is in the process to follow with the banks for providing statements / balance confirmations. 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 margin money with the banks and term deposits with the banks, no confirmations for the balance outstanding and interest certificates for the quarter ended 31st December, 2020 have been received. In view of non-existence of supporting evidence, we are unable to comment upon completeness of the balance appearing in the books of accounts of the company and adjustment, if any.

With respect to the loans and borrowings taken by the Company amounting to Rs. 2761,17.30 Lakhs as on 31st December, 2020, no confirmation has been received till date of this report. Also, out of 35 borrowings, sanction letters/agreements is provided for only 9 cases and for the rest the relevant information is not available with the management. 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.

Previous auditor had given a disclaimer of opinion on the standalone financial statements for the year ended 31st March, 2020 in respect of this matter.

- (xii) We draw attention to Note no. 16 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.



- (xiii) We draw attention to Note no. 17 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.
- (xiv) We draw attention to Note no. 18 of the Unaudited 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.
- (xv) We draw attention to Note no. 19 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 31st December, 2020 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.
- (xvi) The company has made many adjustments in accordance with Indian Accounting Standards applicable to the company as on 31st 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 conclude on completeness of the impact of Indian Accounting Standard appearing in the books of account of the company.

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

We draw attention to Note no. 20 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.

- (xviii) The Company has long outstanding statutory liabilities as on 31st December, 2020, details of which are as follows: -

Nature of dues	Principal amount outstanding (Rs. in lakhs)	Outstanding since
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. 21 of the Unaudited Standalone Financial Results, Also, with respect to goods and services tax, the company has revoked the cancellation of its GST Registration in the state of Haryana during the period. 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.

- (xix) We draw attention to Note no. 22 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 st March 2020	Principal paid during Period (Rs. Lakhs)	Unpaid matured deposits (Principal amount) as at 31 st December 2020 (Rs. Lakhs)
Deposits that have matured on or before March 31, 2017	579,92.40	31.49	579,60.91

The total unpaid interest as on 31st December, 2020 (including interest not provided in the books) amount to Rs. 445,22.52 lakhs.



Further, the Company has not provided for interest payable on public deposits which works out to Rs. 53,31.58 lakhs for the nine months period ended 31st December, 2020 (Cumulative upto 31st December, 2020 – Rs. 266,40.81 lakhs).

Besides, the impact of non-provision of interest payable on public deposits of Rs. 53,31.58 lakhs for the nine months ended 31st December, 2020 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.

Previous auditor had given a disclaimer of opinion on the standalone financial statements for the year ended 31st March, 2020 in respect of this matter.

- (xx) We draw attention to Note no. 23 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. 5,15,870.87 Lakhs as on 31st December, 2020. 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.
- (xxi) We draw attention to Note no. 24 of the Unaudited Standalone Financial Results of the Company as on 31st December, 2020 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). Company has also obtained bank loans to the tune of Rs. 335,00.00 lakhs against security of these lands, legal titles of which were never transferred in the name of the Company. 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.
- (xxii) We draw attention to Note no. 25 of the Unaudited Standalone Financial Results, with respect to opening balances appearing in the books of accounts of the Company as on 01st 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 31st December, 2020.

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. 26 to the standalone financial result. 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 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.

Previous auditor had mentioned this matter under "other matter" on the standalone financial statements for the year ended 31st March, 2020.

- (ii) We draw attention to Note no. 27 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.



Previous auditor had mentioned this matter under “other matter” on the standalone financial statements for the year ended 31st March, 2020.

- (iii) We draw attention to Note no. 28 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. 44,26.58 lakhs (Previous year Rs. 44,17.45 lakhs) as at 31st December, 2020 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. 44,26.58 Lakhs (Previous year 2019-20 Rs. 44,17.45 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.

Further, the company has restated all the assets and liabilities of Libya branch as on 31st December, 2020 based on exchange rate prevailing on that date. Since the said assets and liabilities are no longer monetary items in accordance with the principles of Indian Accounting Standards 21, “The Effects of Changes in Foreign Exchange Rates”. In view of the same, we are unable to express a conclusion on the matter

- (iv) The Unaudited Standalone Financial Results include comparative financial figures of the Company for the quarter ended 31st December, 2019 and year to date reviewed results for the period from 1st April, 2019 to 31st December, 2019 which have been reviewed by the predecessor auditor vide its reports dated 9th November, 2020 in which the predecessor auditor has expressed disclaimer of conclusion. The Unaudited Standalone Financial Results also include figures of the Company for the year ended 31st March, 2020 audited by the predecessor auditor vide its report dated 09th November, 2020 in which the predecessor auditor has expressed a disclaimer of opinion.
- (v) The Unaudited Standalone Financial Results include figures of three months ended 31st December, 2019 as reported in these Unaudited Standalone Financial Results are the balancing figures between unaudited figures in respect of year ended 30th September, 2019 and published year to date figures upto 31st December, 2019. The figures upto 31st December, 2019 had only been reviewed by the predecessor auditor and not subject to audit.



(vi) We draw attention to Note no. 29 of the Unaudited Standalone Financial Results, the Company has accounted for following provisions / impairment in the Unaudited Standalone Financial Results for the nine months ended 31st December, 2020: -

- Impairment in equity investments made in foreign companies of Rs. 602,90.68 lakhs. These investments were made in the year 2007 - 2009 and are already subject matter of investigation by Enforcement Directorate and Serious Fraud Investigation Office since last couple of year atleast.
- Provision created against advance given for purchase of shares of Rs. 31,079.48 lakhs. These advances were given in the years 2007 – 2013 and the Company has no evidence regarding recoverability of these advances.
- Reversal of deferred tax assets of Rs. 24,672.66 created earlier on account of carry forward business losses. Same was reversed as there was no reasonable certainty of having taxable profits in foreseeable future against which this tax asset can be adjusted as required under provisions of Indian Accounting Standard 12 “income taxes”.
- Writing off of prepaid expenses of Rs. 3,736.26 lakhs pertaining to brokerage paid in earlier years and interest receivable of Rs. 4,75.21 lakhs. The Company has no evidence regarding recoverability of these advances.
- Impairment In Equity Instruments of Rs 18,78.75 lakhs
- Reversal of Impairment of losses to subsidiaries of Rs 131,56.42 Lakhs

All of the above-mentioned adjustments carried in quarter ending 31st December, 2020 and year to date results for the period from 1st April 2020 to 31st December, 2020 pertain to the earlier period presented by the management for which annual general meeting was already held and the accounts were already adopted therein. This gives an indication that there were errors in the financials of earlier period which requires restatement as required under provisions of Indian Accounting Standard 8 “accounting policies, changes in accounting estimates and errors”. The Company is in the process of evaluating possibility of applicability of section 131 of the Companies Act, 2013 with respect to the earlier period financial statements and subsequent requirement of seeking approval from concerned authorities as required in the said section.

(vii) The company has booked the sale of land amounting to Rs. 37,79.01 Lakhs and the corresponding cost of sale of land has been booked amounting to Rs. 67,44.79 Lakhs. The company has shown the land as project inventory in the books of accounts in previous years. As per the supporting document available regarding sale of land it seems the company does not have any legal title over the land at any point of time.

Based on the information and explanation provided by management, we are unable to express a conclusion on the matter.



- (viii) We draw attention to Note no. 30 of the Unaudited Standalone Financial Results, the company has shown income from maintenance charges amounting to Rs. 24,05.49 Lakhs for the period ended 31st December, 2020. 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 a conclusion on the same.

UDIN – 22529619AKOEJD5331

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


Tanuj Chugh
Partner
Membership No: 529619



Place: Gurgaon
Date: 8th June, 2022

UNITECH LIMITED

CIN: L74899DL1971PLC009720

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

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2020

(Rs. in Lakhs except EPS)

Sl. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31.12.2020	30.09.2020	31.12.2019	31.12.2020	31.12.2019	31.03.2020
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1.	Revenue from Operation	1,437.10	4,718.80	66,628.22	8,551.94	1,11,609.01	1,14,466.21
2.	Other Income	148.60	87.11	274.80	203.24	2,002.24	3,708.13
3.	Total Income (1+2)	1,582.70	4,806.21	66,903.02	8,845.17	1,14,511.25	1,18,264.34
4.	Expenses						
	Real estate, Construction and Related Expenses including Cost of Land sold	944.10	7,138.25	49,475.44	8,162.64	81,882.77	1,05,519.20
	Changes in Inventories of finished properties, land, land development right and work in progress	-	-	-	-	147.82	330.22
	Employee Benefits Expense	526.93	654.53	1,245.17	2,050.80	3,791.97	4,914.80
	Finance Costs	20,869.92	19,324.57	9,108.70	59,717.57	26,616.88	50,746.98
	Depreciation and Amortisation Expense	63.74	67.65	56.18	204.76	168.03	230.13
	Other expenses	205.76	147.39	4,332.98	4,748.14	12,685.67	50,250.69
	Total Expenses	22,610.45	27,332.39	64,218.47	74,883.90	1,25,293.14	2,11,992.02
5.	Profit/(Loss) from Operations before Exceptional Items & Tax (3-4)	(21,027.75)	(22,526.18)	2,684.55	(66,038.73)	(10,781.89)	(93,727.68)
6.	Exceptional Items / Provision for Impairment	-	11,277.68	-	(80,092.47)	-	(21,645.17)
7.	Profit/(Loss) before Tax (5+/-6)	(21,027.75)	(11,248.50)	2,684.55	(1,46,131.20)	(10,781.89)	(1,15,372.85)
8.	Tax Expense						
	(a) Current Tax						
	Current Year	-	-	-	-	-	-
	Less : MAT credit entitlement	-	-	-	-	-	-
	Earlier Years	-	-	-	-	1.53	753.06
	(b) Deferred Tax	38.82	38.81	3.20	24,789.10	2,879.48	2,938.87
9.	Net Profit from Ordinary Activities after tax (7+/-8)	(21,066.56)	(11,287.31)	2,681.35	(1,70,920.31)	(13,662.90)	(1,19,064.78)
10.	Extraordinary items (Net of Tax Expense)	-	-	-	-	-	-
11.	Net Profit for the Year (9+/-10)	(21,066.56)	(11,287.31)	2,681.35	(1,70,920.31)	(13,662.90)	(1,19,064.78)
12.	Other Comprehensive Income / (Loss)						
	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	30.34	129.48	(13.48)	163.95	(54.24)	223.78
	(ii) Income Tax relating to items that will not be reclassified to Profit and Loss	10.19	(30.16)	3.14	(21.13)	12.63	(93.22)
	Total Other Comprehensive Income / (Loss)	40.53	99.32	(10.34)	142.82	(41.61)	130.56
13.	Total Comprehensive Income (11+/-12)	(21,026.03)	(11,187.99)	2,671.01	(1,70,777.49)	(13,704.51)	(1,18,934.22)
14.	Other Equity excluding Revaluation Reserves						5,30,915.82
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.	Earning Per share (Before Extraordinary Items) (of Rs. 2 each) *(Not Annualised)						
	Basic and Diluted (Rs.)	(0.80)*	(0.43)*	(0.10)*	(6.53)*	(0.52)*	(4.55)
17.	Earning Per share (After Extraordinary Items) (of Rs.2 each) *(Not Annualised)						
	Basic and Diluted (Rs.)	(0.80)*	(0.43)*	(0.10)*	(6.53)*	(0.52)*	(4.55)



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 and nine months period ended 31st December, 2020	
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 8 th June, 2022.
2.	The figures of the last year's relevant quarter are the balancing figures between unaudited published year-to-date figures in respect of third quarter and the unaudited published year-to-date figures for the half year of the previous financial year.
3.	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.
4.	The above Financial Results have been prepared in accordance with 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.
5.	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.
6.	<p>The Company failed to hold its Annual General Meeting (AGM) due on or before 30th September 2021 (extended till 30th November, 2021, vide Notification No. ROC-CHN/96-AGM/2021 dated 23rd September, 2021), as required under section 96 of the Companies Act, 2013, to transact the agenda including the approval of Accounts for the year ended 31st March 2021.</p> <p>The AGM for the Financial Year ended 31st March, 2018 and 31st March, 2019 were not convened by the erstwhile management of the Company. In the meantime, the Hon'ble Supreme Court directed the Union Government to propose appointment of an Independent Management for Unitech Limited. In compliance thereto, the Central Government (Ministry of Corporate Affairs) proposed constitution of a new Board of Directors, which was approved by the Apex Court vide its order dated 20.01.2020, also superseding the erstwhile management. The AGM for the year ended 31st March, 2020 was due to be held latest by 30th September, 2020. Due to onset of COVID 19 pandemic and consequent nationwide lockdown, offices remained closed during the lock-down period. Moreover, the new management did not have access to complete records of various transactions of the Company. It caused delay in finalization of accounts for the financial year 2019-20 and convening of Annual General Meetings. The Company held their AGM for the year ended 31st March, 2018, 31st March, 2019 and 31st March, 2020 on 24th May, 2021 and now the Company is committed to hold AGM for the financial year ended 31st March,</p>



	<p>2021 as early as possible.</p> <p>The Management had taken up the issue of seeking exemptions and waiver of penalties from MCA as well as SEBI vide its letters dated 11.06.2020, 29.07.2020 and 27.08.2020 and had also sought the intervention of Secretary MCA to take up the matter with SEBI. The Secretary MCA also took up the matter with Chairman SEBI vide his letter dated 05.08.2020. SEBI responded vide its letter dated 09.09.2020 informing that the BSE and NSE had examined the issue in view of moratorium granted by the Hon'ble Supreme Court and the notice for suspension of trading of securities was withdrawn. Finding that there was no positive response on waiver of penalties, the management filed an IA No. 81660 of 2021 and 81663 of 2021 on 16.07.2021 in the Supreme Court seeking requisite reliefs, which is still pending. The above defaults were also brought to the notice of the Hon'ble Supreme Court in the Action Taken Report –III filed on 28.03.2022.</p>
7.	<p>The Hon'ble Supreme Court, vide its order dated 20th 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 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 updation of the Resolution Framework approved by the Board of Directors in their subsequent meetings held on 10.09.2020 and 28.10.2020. The updated Resolution Framework was placed before the Hon'ble Supreme Court on 05.02.2021. It is stated that the Board of Directors has approved to further update the Resolution Framework vide resolution adopted in their meeting held on 27.04.2022, a revised version whereof is being brought out and would be placed before the Supreme Court in due course of time.</p>
8.	<p>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 20th 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 Statements have accordingly been drawn.</p>
9.	<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. As per the notice, and as per the relevant clause of the bye-laws/contractual arrangement with the Company, 25% of the total</p>



	<p>dues amounting to Rs. 13,893.42 Lakhs were to be forfeited out of the total amount paid till date. The Company has incurred an expenditure of Rs. 213,962.69 Lakhs [comprising of (i) the amounts paid for land dues and stamp duty Rs. 34,221.90 Lakhs, (ii) the balance portions of the total amounts payable, including contractual interest accrued till 31st March 2016, of Rs. 99,091.90 Lakhs; and (iii) other construction costs amounting to Rs. 80,648.89 Lakhs.</p> <p>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. 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 erstwhile management had also described steps taken for implementation of the project and valid business reasons due to delays till date. Further, the erstwhile management had also proposed that in view of the fact that third party interests had been created by the Company in the allotted land, by allotting plots to different allottees, GNIDA should allow the Company to retain an area of approximately 25 acres out of the total allotted land of approximately 100 acres in the interest of such allottees and that the amount paid by the Company till date be adjusted against the price of land of 25 acres and remaining surplus amount may be adjusted towards dues of other projects of the Company under GNIDA. 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.</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. 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.</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, which also includes interest capitalized of Rs. 69,684.68 Lakhs.</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>
10.	The Company is in the process of reconciling the balances appearing in its books of accounts with the balances deposited with Registry of the Hon'ble Supreme Court.
11.	The Company is in the process of conducting physical verification of property, plant and equipment.
12.	The Company is in the process of conducting impairment assessment of its investment in equity instrument, debentures, bonds, various funds, financial guarantees and other commitments, loans given and advances given to subsidiaries,



	associates and Joint Ventures.
13.	The Company is in the process of preparation of expected credit loss policy in relation to trade receivable, securities deposits, loans and advances given to others.
14.	The Company is in the process of conducting Net Realizable Value (NRV) assessment of its inventories and projects in progress.
15.	The Company has not floated confirmations related to trade receivables, trade payables, loans and advances, borrowings, securities deposit, etc. Company is in the process of ascertaining the balances appearing in the books of accounts, which are outstanding for significantly long period of time. Further, the Company is in process of compiling banks statements/ bank balance confirmations from all the concerned banks of the Company.
16.	The Company is in the process of estimating the impact of contingent liabilities in line with Resolution Framework submitted to the Hon'ble Supreme Court.
17.	The Company is in the process of appointment of Internal Auditors for the Company.
18.	The Company is in the process of appointment of Chief Financial Officer for the Company.
19.	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 31 st December 2020 is Rs. 4,226.26 Lakhs. The Company is carrying the 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".
20.	The Company is currently re-evaluating the impact of Ind AS 115 and to conclude, regarding effectiveness of existing accounting policy in line with Ind AS 115.
21.	The Company has various statutory liabilities outstanding since long and the same are unpaid due to matters being pending before various Adjudicating Authorities.
22.	<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 January, 2017.</p> <p>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 for addressing the matters of home-buyers, fixed deposit holders and others. This issue has been duly recognized in Chapter 8 of the Resolution Framework and the Company shall take action as per the directions of the Hon'ble Court in this behalf.</p> <p>Some Depositors filed intervention applications (IAs) before the Hon'ble Supreme Court in the matter of homebuyers of the Company. Considering their applications,</p>



	<p>the Hon'ble Supreme Court directed the <i>Amicus Curiae</i> to create a web-portal where the Depositors could provide their requisite information. Accordingly, in compliance of the <i>ibid</i> direction, the <i>Ld. Amicus Curiae</i> created a web-portal for the purpose.</p> <p>Hon'ble Supreme Court vide its order dated 12th December, 2019, allowed refunds to FD holders who were senior citizens, aged 60 years and above. Ten per cent of the amount deposited with the Registry at that time i.e. Rs. 17.4 crore was allocated for the purpose. Having regard to the huge number of FD holders, who had registered themselves on the web-portal, the Hon'ble Court allocated a further sum of Rs. 30 crore for distribution amongst them. The additional amount of Rs. 30 crore was also to be disbursed to FD holders of the age group of 60 years and above, in terms of the earlier direction/s. Out of the allocated sum of Rs. 47.40 Crore allocated, an amount of Rs. 28.16 Crore has been disbursed till 30.06.2021 as per the report of the <i>Ld. Amicus Curiae</i>. The same is under reconciliation. The new Management neither processes any case nor is it authorized to do so till the Hon'ble Supreme Court takes a decision in this matter.</p> <p>The matter being <i>sub-judice</i> the Company has not provided for interest since April 1st, 2017 payable on Public Deposits, which works out to Rs. 5,331.58 Lakhs for the nine month period ended 31st December, 2020.</p>
23.	<p>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. 5,15,870.87 Lakhs as on 31st December, 2020. The lenders have initiated action against the Company under various statutes. The Company has challenged the action of the lenders before the Debt Recovery Tribunals (DRT).</p>
24.	<p>The Company as on 31st December, 2020 contains the details of Intervention Application (IA) before Hon'ble Supreme Court wherein, the Company has stated that erstwhile management had invested in Telengana 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 on account of some dues of M/s Dandamundi Estate). The Company has also obtained bank loans to the tune of Rs. 112,000.00 Lakhs against security of those lands, legal titles of which were never transferred in the name of the Company. However, the Company had already settled the said loan account and nothing remains outstanding against the same. 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. and has not created any provision against said deposit in the books of accounts on account of matter being <i>sub-judice</i>. The Company has already filed an IA before Hon'ble Supreme Court for recovery of the amount.</p>
25.	<p>With respect to opening balances appearing in the books of accounts of the Company as on 1st April, 2020, the Company is in the process of collecting the supporting documents justifying the balances related to following accounts:</p> <p>(a) Other comprehensive income/ (loss) amounting Rs. (52,931.93) Lakhs.</p> <p>(b) Provision for bad and doubtful debts/ trade receivables amounting Rs. 32,373.95 Lakhs.</p>



	<p>(c) Allowances for bad and doubtful loans and advances to related parties amounting Rs. 1,589.04 Lakhs.</p> <p>(d) Other loans and advance amounting Rs. 520.00 Lakhs.</p> <p>(e) Trade receivables and advance received from customers amounting Rs. 1193,075.62 Lakhs.</p> <p>(f) Loans/ advance given to subsidiaries, joint ventures and associates amounting Rs. 4,68,932.90 Lakhs.</p> <p>(g) Loans taken from subsidiaries, joint ventures and associates amounting Rs. 74,192.20 Lakhs.</p> <p>(h) Advance for purchase of shares amounting Rs. 31,079.48 Lakhs.</p> <p>(i) Expenses payable amounting Rs. 51,612.66 Lakhs.</p> <p>(j) Current Tax Assets amounting to Rs. 3,004.64 Lakhs.</p> <p>(k) Deferred Liability amounting Rs. 2,36,049.12 Lakhs.</p> <p>(l) Advance given for purchase of land amounting Rs. 61,287.37 Lakhs.</p> <p>(m) Provision for doubtful advance given for purchase of land amounting Rs. 30,000.00 Lakhs.</p> <p>(n) Investment in Subsidiary - Corporate Guarantee amounting to Rs. 8.70 Lakhs.</p> <p>(o) Investment in CIG Funds (Ind AS Adjustments) amounting to Rs. 960.83 Lakhs.</p> <p>(p) Security Deposits receivables (Ind AS Adjustments) amounting to Rs. 2,867.51 Lakhs.</p> <p>(q) Prepaid Expenses (Ind AS Adjustments) amounting to Rs. 17.84 Lakhs.</p> <p>(r) Loans to Subsidiaries (Ind AS Adjustments) amounting to Rs. 50,730.57 Lakhs.</p> <p>(s) Term loans from bank and Financial Institution (Ind AS Adjustments) amounting to Rs. 63.93 Lakhs.</p> <p>(t) Security Deposit payable (Ind AS Adjustments) amounting to Rs. 13.87 Lakhs.</p> <p>(u) Statutory Dues (Ind AS Adjustments) amounting to Rs. 8.06 Lakhs.</p> <p>(v) Other Payables (Ind AS Adjustments) amounting to Rs. 12,185.67 Lakhs.</p> <p>(w) Advance from Customers (Ind AS Adjustments) amounting to Rs. 12,170.42 Lakhs.</p>
26.	<p>The Company 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 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.</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</p>



	possibilities of filing an IA in the Supreme Court on this subject.
27.	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 available.
28.	The Company has a branch office in Libya, whose financial statements/ information reflect total assets of Rs. 4,426.58 Lakhs (Previous year 2019-20 - Rs. 4,417.45 Lakhs) as on 31 st December, 2020 and total revenues of Rs. NIL (Previous year 2019-20 - Rs. 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. 4,426.58 Lakhs (Previous year 2019-20 Rs. 4,417.45 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.
29.	<p>The Company has accounted for the following provisions/ impairment in the Unaudited Standalone Financial Results for the nine months period ended 31st December, 2020:</p> <ul style="list-style-type: none"> (a) Impairment in equity investments made in foreign companies of Rs. 60,290.68 Lakhs. These investments were made during 2007 to 2009 and are already under investigation by Enforcement Directorate and Serious Fraud Investigation Office; (b) Impairment of equity investments made in subsidiary companies of Rs. 1,878.75 Lakhs. The said impairment loss is booked resultant to Goodwill impairment test conducted during the financial year. (c) Reversal of impairment of loans to subsidiary Company of Rs. 13,156.42 Lakhs. During FY 2014-15, the loan to subsidiary Company was impaired by the said amount, which is now being reversed due to the finality attained in the TSIIC matter in favor of the Company. (d) Provision created against advance given for purchase of shares of Rs. 31,079.48 Lakhs. These advances were given in the years 2007 to 2013 and the Company has no evidence regarding recoverability of these advances. (e) Reversal of deferred tax assets of Rs. 24,672.66 Lakhs created earlier on account of carry forward business losses. Same was reversed as there was no reasonable certainty of having taxable profits in foreseeable future against which this tax asset can be adjusted as required under provisions of Indian Accounting Standard 12 "income taxes". (f) Writing off of prepaid expenses of Rs. 3,736.26 Lakhs pertaining to brokerage paid in earlier years and interest receivable of Rs. 475.21 Lakhs. The Company has no evidence regarding recoverability of these advances. <p>All of the above-mentioned adjustments carried in the nine months period ending 31st December, 2020 pertain to the earlier periods presented by the Management for which AGM was already held and the accounts were already adopted therein. The Company is in the process of evaluating the possibility of applicability of section 131</p>



	of the Companies Act, 2013 with respect to voluntary revision of Financial Statements or Board's Report.
30.	The Company is in the process of collecting the project-wise service maintenance agreements and also checking and evaluating the maintenance charges basis cost sheets.
31.	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.
32.	The figures of the previous year have been re-grouped/ re-arranged wherever considered necessary for the purpose of comparison,



Place: Gurugram

Dated: 08/06/2022

For **Unitech Limited**

Yudhvir Singh Malik, IAS (Retd.)
Chairman & Managing Director