UNITECH LIMITED

CIN: L74899DL1971PLC009720

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

Statement of Standalone Results

for the Quarter & Nine Months Ended December 31, 2016

(₹ in Lakhs except EPS)

Sl. No.	Particulars	Quarter Ended			Nine Months Ended	
		31.12.2016 (Reviewed)	30.09.2016 (Reviewed)	31.12.2015 (Reviewed)	**31.12.2016** (Reviewed)	31.12.2015 (Reviewed)
1.	**Income from Operations**					
	(a) Net sales / Income from Operations	**26,440.74**	22,330.98	23,859.19	**75,469.94**	91,585.20
	Total income from Operations (Net)	**26,440.74**	22,330.98	23,859.19	**75,469.94**	91,585.20
2.	**Expenses**					
	(a) Real estate, Construction and Related Expenses	**16,103.82**	15,748.03	10,275.99	**53,626.18**	70,932.00
	(b) Changes in Inventories of finished properties, land, land development right and work in progress	**394.48**	1,282.23	-	**3,093.83**	-
	(c) Employee Benefits Expense	**1,936.45**	2,306.36	2,379.78	**6,586.50**	8,037.09
	(d) Depreciation and Amortisation Expense	**98.72**	99.24	109.34	**299.07**	335.42
	(e) Other expenses	**939.57**	588.49	2,151.83	**2,273.93**	4,368.55
	Total Expenses	**19,473.04**	20,024.35	14,916.94	**65,879.51**	83,673.06
3.	**Profit/(Loss) from Operations before Other income, Finance costs, Exceptional items and Prior Period Adjustments (1-2)**	**6,967.70**	2,306.63	8,942.25	**9,590.43**	7,912.14
4.	Other income	**6,627.73**	6,831.07	3,340.14	**20,082.56**	18,572.92
5.	**Profit/(Loss) from Ordinary activities before Finance Costs, Exceptional Items and Prior Period Adjustments (3+4)**	**13,595.43**	9,137.70	12,282.39	**29,672.99**	26,485.06
6.	Finance Costs	**8,146.53**	7,864.70	8,051.32	**24,844.82**	22,768.10
7.	**Profit/(Loss) from Ordinary activities after Finance costs but before Exceptional items and Prior Period Adjustments (5-6)**	**5,448.90**	1,273.00	4,231.07	**4,828.17**	3,716.96
8.	Exceptional items	**-**	-	-	-	-
9.	Prior Period Adjustments	**-**	-	-	-	-
10.	**Profit/(Loss) from Ordinary Activities before Tax (7+8+9)**	**5,448.90**	1,273.00	4,231.07	**4,828.17**	3,716.96
11.	Tax Expense					
	(a) Current Tax					
	Current Year (MAT in current period)	**905.00**	-	852.00	**905.00**	852.00
	Less : MAT credit entitlement	**(905.00)**	-	-	**(905.00)**	-
	Earlier Years	**-**	-	-	**-**	-
	(b) Deferred Tax	**1,853.44**	683.44	302.11	**2,154.34**	1,190.82
12.	**Net Profit from Ordinary Activities after tax (10-11)**	**3,595.46**	589.56	3,076.96	**2,673.83**	1,674.14
13.	Less : Extraordinary items	**-**	-	-	**-**	-
14.	**Net Profit for the Period (12-13)**	**3,595.46**	589.56	3,076.96	**2,673.83**	1,674.14
15.	Other Comprehensive Income (net of tax)	**(11.23)**	(9.99)	(160.54)	**132.99**	(245.53)
16.	**Total Comprehensive Income (14+15)**	**3,584.23**	579.57	2,916.42	**2,806.82**	1,428.61
17.	Paid-up equity share capital (Face Value - ₹ 2 per share)	**52,326.02**	52,326.02	52,326.02	**52,326.02**	52,326.02
18.i	**Earning Per share (Before Extraordinary Items) (of ₹ 2 each) (Not Annualised)**					
	Basic and Diluted (₹)	**0.14**	0.02	0.12	**0.10**	0.06
18.ii	**Earning Per share (After Extraordinary Items) (of ₹ 2 each) (Not Annualised)**					
	Basic and Diluted (₹)	**0.14**	0.02	0.12	**0.10**	0.06

Notes:

I	The above Unaudited Financial Results (prepared on standalone basis) have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on February 14, 2017 and the statutory auditors have carried out the Limited Review of the said Standalone Financial Results.
II	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.
III	The company has adopted Indian Accounting Standards ("Ind AS") from April 01, 2016 and accordingly these financial results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34 Interim Financial Reporting prescribed under Section 133 of the Companies Act 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India. Financial results for all the periods presented have been prepared in accordance with the recognistion and measurement principles of Ind AS 34
IV	The Ind AS compliant financial results for previous year ended March 31, 2016 have not been provided, as per the exemption given in para 2.6.2 (i) of the SEBI circular no. CIR/CFD/FAC/62/2016 dated July 05, 2016
V	The date of Transition to IND AS is April 1, 2015. The impact of transition has been accounted for in opening reserves and the comparative period results disclosed here are restated accordingly. However, the opening balance sheet as at April 1, 2015 and the results of the subsequent periods would get finalised along with the annual financial statements for the year ended March 31, 2017.
VI	Statement of reconciliation of net PAT reported under previous Indian GAAP (IGAAP) and net PAT under IND AS for the quarters ended and nine months ended 31st December 2016.

(₹ in Lakh)

Particulars	Quarter ended 31.12.2016	Quarter ended 31.12.2015	Nine months ended 31.12.2016	Nine months ended 31.12.2015
Net Profit after Tax as per previous IGAAP	**3,494.78**	**2,674.20**	2,581.78	1,112.65
Financial liabilities recognised at amortised cost using effective rate of interest (Net)	(90.00)	324.37	(245.10)	453.80
Financial assets recognised at amortised cost using effective rate of interest (net)	98.90	87.45	295.73	262.16
Actuarial gains or losses on employee benefits transferred to Other Comprehensive Income	145.04	204.03	90.12	142.59
Tax Impact	(53.26)	(213.09)	(48.70)	(297.06)
Net Profit before other comprehensive Income as per IND AS	**3,595.46**	**3,076.96**	**2673.83**	**1674.14**

VII	The limited review report of statutory auditor on the financial statements of Unitech Limited for the quarter and nine months ended December 31, 2016, contains a qualification which is being summarised below:-
a)	"*Advances amounting to Rs. 69436.59 lacs (previous year ended 31st March, 2016 Rs. 69452.64 lacs) 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. 21.00 lacs had been recovered / adjusted during the current period. The management, based on internal assessments and evaluations, has represented that the balance outstanding advances are still recoverable/adjustable and that no accrual for diminution of advances is necessary as at 31st December 2016. The management has further represented that, as significant amounts have been recovered/adjusted during the previous financial years and since constructive and sincere efforts are being put in for recovery of the said advances, it is confident of appropriately adjusting/recovering significant portions of the remaining outstanding balance of such amounts in the foreseeable future. However, 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 that, neither the amounts recovered nor rate of recovery of such long outstanding amounts in the previous year & current period, despite confirmations from some parties, clearly indicate, in our opinion, 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 31st December 2016 are fully recoverable. Accordingly, we are unable to ascertain the impact, if any, that may arise in case any of these remaining advances are subsequently determined to be doubtful of recovery. This matter was also qualified by the previous Auditors in their report on the standalone financial statements for the year ended 31st March 2016.*" The management, in response of the above qualification, states the following:- Advances for the purchase of land, projects pending commencement and to joint ventures and collaborators have been given in the normal course of business to land owning companies, collaborators, projects and for purchase of land. The management of the company based on the internal assessment and evaluations considers that these advances, which are in the normal course of business are recoverable/adjustable and that no provision is necessary at this stage. The management is confident of recovering/ appropriately adjusting the balance in due course.
b)	"*According to information available and explanations obtained, in respect of non-current investments (Long term investments) in, and loans and advances given to, some subsidiaries/a party ("the parties"), it has been observed from the perusal of the financial statements of these parties that the said parties have accumulated losses and their respective net worth have been fully/substantially eroded. Further, some of these parties have incurred net loss during the current period and previous year(s) and, that the current liabilities of these parties exceeded their respective current assets as at 31st December 2016. 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 parties. 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, diminution in the value of these investments which is other than temporary amounting to Rs. 47088.86 lacs upto 31st December 2016 (Previous year ended 31st March, 2016 - Rs. 44025.10 lacs) and an accrual for diminution of doubtful debts and advances amounting to Rs. 68458.98 lacs upto 31st December 2016 (Previous year ended 31st March, 2016 - Rs. 69045.91 Lacs) needs to be accounted for. Management is however of the firm view that the diminution is only temporary and that sufficient efforts are being undertaken to revive the said parties. However, 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, in our opinion, management has not adequately or sufficiently accounted for the imminent diminution. Had management accounted for such diminution, the profit for the quarter ended 31st December 2016 would have been lower by Rs. 115547.84 lacs (Previous year ended 31st March, 2016- Rs. 113071.02 lacs). The opinion of the previous Auditors on the standalone financial statements for the year ended 31st March, 2016 was also qualified in respect of this matter. " The management, in response of the above qualification, states the following:- Management has evaluated this matter and is of the firm view that the diminution, if any, even if it exists is only temporary and that sufficient efforts are being undertaken to revive the said subsidiaries in the foreseeable future so as to recover carrying value of the investment. Further, management believes that the loans and advances given to these companies are considered good and recoverable based on the future projects in these subsidiaries and accordingly no provision other than those already accounted for, has been considered necessary.
c)	*"An amount of Rs. 123369.07 lacs is outstanding as at 31st December, 2016 (Previous year ended 31st March 2016 – Rs. 113430.59 lacs) which is comprised of trade receivables pertaining to sale of land, properties, trading goods, finished goods, commercial plots/properties of various kinds. Some of these balances amounting to Rs. 22793.46 lacs as at 31st December 2016 (Previous year ended 31st March 2016 – Rs. 22578.11 lacs) are outstanding for significantly long periods of time. The management has explained that such long overdue outstandings have arisen in the normal course of business from transactions with customers who have contravened the contractual terms. The management has undertaken a detailed exercise to evaluate the reasons of such long outstandings as well as possibility of recoveries. The management, based on internal assessments and evaluations, possible recoveries from securities (registered or unregistered) have represented that significant portion of such trade receivables outstandings are still recoverable/adjustable and that no accrual for diminution in value of trade receivables is therefore necessary as at 31st December 2016. 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 31st December 2016 are outstanding/remained unadjusted for a long period of time. Based on our assessment and audit procedures performed, in our opinion, trade receivables amounting to Rs. 22793.46 lacs are doubtful of recovery and consequently, management ought to provide/accrue for the diminution for these balances. Had the management provided/accrued for the diminution in value of the said trade receivables, the carrying value of the trade receivables would have been lower by Rs. 22793.46 lacs and the profit for the quarter ended 31st December 2016 would have been lower by Rs. 22793.46 lacs. The opinion of the previous Auditors on the standalone financial statements for the year ended 31st March, 2016 was also qualified in respect of this matter. "* The management, in response of the above qualification, *states* the following:-

	Management, based on internal assessments and evaluations, possible recoveries from securities (registered or unregistered) have represented that significant portion of such trade receivables balance outstanding are still recoverable/ adjustable and that no accrual for diminution in value of trade receivables is therefore necessary as at December 31, 2016. They are confident of appropriately adjusting / recovering significant portions of the remaining outstanding balance of such amounts in the foreseeable future.
d)	*"The Company has received a 'cancellation of lease deed' notice from Greater Noida Industrial Development Authority ("GNIDA") dated 18 November 2015. As per the Notice, GNIDA has 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 lacs. 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 lacs has been forfeited out of the total amount paid till date. The Company has incurred total expenditure of Rs. 213902.67 lacs [comprising of (i) the amounts paid under the contract/bye-laws of Rs.34221.90 lacs, (ii) the balance portions of the total amounts payable, including contractual interest accrued till 31st March 2016, of Rs. 99091.90 lacs; and (iii) other construction costs amounting to Rs. 80588.87 lacs]. The Company is also carrying a corresponding liability of Rs. 99091.90 lacs representing the total amounts payable to GNIDA including interest accrued and due of Rs. 66692.05 lacs. 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 SARFEASI Act and have also taken notional possession of this land. Further, the Company has contractually entered into agreements to sell with 397 buyers and has also received advances from such buyers amounting to Rs. 9216.67 lacs (net of repayment). No contract revenue has been recognized on this project. Management has written a letter to GNIDA dated 1st December 2015, wherein it has stated that the cancellation of the lease deed is wrong, unjust and arbitrary. Further, management has also described steps taken for implementation of the project, valid business reasons due to delays till date. Further, 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 may 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 may 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. As informed and represented to us, the discussions/ negotiations and the legal recourse process is currently underway and no solution/direction is ascertainable until the date of this report. In view of the materiality of the transaction/circumstances and uncertainties that exist, we are unable to ascertain the overall impact of the eventual outcome of the aforementioned notice/circumstance. Consequently, we are unable to ascertain the impact if any, inter alia, on carrying value of the project under 'projects in progress' and on the Statement of unaudited standalone financial results of the Company. The opinion of the previous Auditors on the standalone financial statements for the year ended 31st March, 2016 was also qualified in respect of this matter. "* The management, in response of the above qualification, states the following:- Management has written a letter to GNIDA dated 1 December 2015, wherein management has stated that the cancellation of the lease deed is wrong, unjust and arbitrary. Management has also described steps taken for implementation of the project, valid business reasons due to delays till date. Further, 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 may allow the Company to retain an area of approximately 25 acres out of the total allotted land of approx. 100 acres and that the amount paid by the Company till date may 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. The discussions/ negotiations and the legal recourse process are currently underway.
VIII	The figures of previous periods have been re-grouped/re-arranged wherever considered necessary for the purpose of comparison.

Place: Gurgaon
Dated: February 14, 2017

For Unitech Limited

Sd/-
Ramesh Chandra
Chairman