

**unitech**  
UNITECH LIMITED

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Extract of Audited Consolidated Financial Results for the Quarter Ended 30<sup>th</sup> June, 2019

(₹ in Lacs except EPS)

Sl No.	Particulars	Quarter Ended 30.06.2019 (Un-audited)	Quarter Ended 30.06.2018 (Un-audited)	Year Ended 31.03.2019 (Audited)
1	Total income from operations (Net)	31,717.41	22170.42	137,104.05
2	Net Profit/(Loss) from ordinary activities after tax	(11,150.98)	(9875.72)	(79,284.87)
3	Net Profit/(Loss) for the period after Tax (After Extraordinary items)	(11,150.98)	(9875.72)	(79,284.87)
4	Total Comprehensive Income for the period [Comprising Profit/(Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	(11,334.33)	(9228.09)	(83,874.28)
5	Equity Share Capital	52326.02	52326.02	52326.02
6	Earnings Per Share for continuing operations (before/ after extraordinary items) # (of Rs. 2/- each)			
7	Basic and Diluted (Rs.) * (Not Annualized):	(0.45)*	(0.39)*	(3.06)
8	Earnings Per Share for discontinued operations (before/ after extraordinary items) # (of Rs. 2/- each)			
9	Basic and Diluted (Rs.) * (Not Annualized):	0.01*	0.01*	0.04
10	Earnings Per Share for continuing & discontinued operations (before/ after extraordinary items) # (of Rs. 2/- each)			
11	Basic and Diluted (Rs.) * (Not Annualized):	(0.44)*	(0.38)*	(3.02)
# Extra Ordinary Items - NIL				

## Notes:

I The above Financial Results (prepared on consolidated basis) have been reviewed by the Audit Committee and approved by the Board of Directors of Unitech Limited at their respective adjourned meetings held on 14<sup>th</sup> September, 2019 (Originally Scheduled on 14<sup>th</sup> August, 2019).

II The auditors of the Company have informed the Company that the renewing of their "Peer Review Certificate" is under process.

III The report of statutory auditors on the consolidated financial statements of Unitech Limited for the financial period ended June 30, 2019, contains qualifications which are being summarized below:-

a) The holding 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.105,483.26 lacs. As per the notice, and as per the relevant clause of the bye-laws/contractual arrangement with the holding Company, 25% of the total dues amounting to Rs.13,893.42 lacs has been forfeited out of the total amount paid till date. The holding Company has incurred total expenditure of Rs.213,950.89 lacs [comprising of (i) the amounts paid under the contract/bye-laws of Rs.34,221.90 lacs, (ii) the balance portions of the total amounts payable, including contractual interest accrued till 31<sup>st</sup> March, 2016, of Rs.99,091.90 lacs; and (iii) other construction costs amounting to Rs. 80,637.09 lacs]. The holding Company is also carrying a corresponding liability of Rs.99,091.90 lacs representing the total amounts payable to GNIDA including interest accrued and due of Rs.66,692.05 lacs. The said land is also mortgaged and the holding Company has registered such mortgage to a third party on behalf of lender for the Non-Convertible Debenture (NCD) facility extended to the holding Company and, due to default in repayment of these NCDs, the debenture holders have served a notice to the holding Company under section 13(4) of the SARFAESI Act and have also taken notional possession of this land. Further, the holding Company has contractually entered into agreements to sell with 397 buyers and has also received advances from such buyers amounting to Rs.9,158.39 lacs (net of repayment). No contract revenue has been recognized on this project. Management has written a letter to GNIDA dated 1<sup>st</sup> 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 holding Company in the allotted land, by allotting plots to different allottees, in the interest of such allottees, GNIDA may allow the holding 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 holding 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 consolidated financial results of the Company.

As per management, the holding Company, GNIDA and the buyers have reached a consensus that the cancellation of lease deed will be revoked; however the same is uncertain as on the date of this report.

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 lacs (including interest accrued of the customers), out of the monies paid by the Company, with the registry of the Hon'ble Supreme Court. No details or information have been received from GNIDA with regard to the utilization or adjustment or treatment of the said sum vis-à-vis dues of the Company. Pending adjustment of the same, this amount is reflected under Other Current Liabilities.

The impact on the accounts viz. inventory, projects in progress, customer advances, amount payable to or receivable from GNIDA, cannot be ascertained, due to non-availability of details/information from GNIDA with regard to the utilization or adjustment or treatment of the said sum of Rs.7,436.35 lacs, mentioned hereinabove, vis-à-vis dues of the Company, and hence we are unable to express a conclusion on this matter.

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

The management, in response of the above qualification, states the following:-

The management is reasonably sure that its stand shall be vindicated in the court of law and there shall be no adverse impact as such.

b) Confirmations/reconciliations are pending in respect of amounts deposited by the Company with the Hon'ble Supreme Court. As per books of account an amount of Rs. 33,615.60 lacs deposited with the Hon'ble Supreme Court Registry ("Registry") is outstanding as at 30<sup>th</sup> June, 2019. Certain transactions have been made from the Registry viz. payments towards refunds given to some of the Company's customers, amounts paid to the Company for meeting construction expenses, and amounts paid to the amicus curiae towards reimbursement of expenses, and the aforesaid sum of Rs. 33,615.60 lacs is net of these transactions. Due to non-availability of any statement of account from the Registry, these transactions have been recorded by the Company in its books of account on the basis of limited information available. The management has stated that it is confident that, upon confirmation/reconciliation, there will not be any material impact on the loss or state of affairs of the Company as 30<sup>th</sup> June, 2019. However, in the absence of detailed statement of transactions and confirmation of balance from the Registry, we are unable to comment on the completeness and correctness of amounts outstanding with the Registry and of the ultimate impact on the consolidated financial results of the Company, and hence we are unable to express a conclusion on this matter.

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

The management, in response of the above qualification, states the following:-

It's a matter of reconciliation with the Registry of the Hon'ble Supreme Court. The company is trying to have better information and there shall be no adjustment required in the statement of Profit & Loss.

c) An amount of Rs. 107,246.12 lacs is outstanding as at 30<sup>th</sup> June, 2019 (Previous year ended 31<sup>st</sup> March, 2019 - Rs. 107,631.33 lacs) which is comprised of trade receivables pertaining to sale of land, properties, finished goods, commercial plots/properties of various kinds. Some of these balances amounting to Rs. 18,694.47 lacs as at 30<sup>th</sup> June, 2019 (Previous year ended 31<sup>st</sup> March, 2019 - Rs. 18,600.64 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 30<sup>th</sup> June, 2019. However, we are unable to ascertain whether all of the long overdue outstanding trade receivables are fully recoverable/adjustable, since the outstanding balances as at 30<sup>th</sup> June, 2019 are outstanding/remaining unadjusted for a long period of time. Based on our assessment and review procedures performed, in our opinion, trade receivables amounting to Rs. 18,694.47 lacs are doubtful of recovery and consequently, management ought to provide/accrue for the diminution for these balances. Moreover, the recovery of such trade receivables are dependent on the sale of land held by these debtors and their realize-ability, which, looking at the size of the land held by these debtors, their sale-ability, and uncertainty as to whether such land can be realized at their respective circle rates or more, it is indeterminate as to what extent of further losses can be expected, and hence we are unable to express a conclusion on this matter.

We had given a disclaimer of opinion on the consolidated financial statements for the year ended 31<sup>st</sup> March, 2019 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 30<sup>th</sup> June, 2019. They are confident of appropriately adjusting/recovering significant portions of the remaining outstanding balance of such amounts in the foreseeable future.

d) The holding Company has failed to repay deposits accepted by it including interest thereon in respect of the following deposits:

Particulars	Unpaid matured deposits (Principal amount) as at 31 <sup>st</sup> March, 2019 (Rs. lacs)	Principal paid during the current quarter (Rs. lacs)	Unpaid matured deposits (Principal amount) as at 30 <sup>th</sup> June, 2019 (Rs. lacs)
Deposits that have matured on or before March 31, 2017	53,014.17	8.10	53,006.07

The total unpaid interest as on 30<sup>th</sup> June, 2019 (including interest not provided in the books) amounts to Rs. 37,798.39 lacs.

Further, the holding Company has not provided for interest payable on public deposits which works out to Rs. 1,768.68 lacs for the current period ended 30<sup>th</sup> June, 2019 (Cumulative upto 30<sup>th</sup> June, 2019 - Rs. 15,997.54 lacs).

Pursuant to Section 74(2) of the Companies Act, 2013, the holding Company had made an application to the Hon'ble Company Law Board (CLB) (subsequently replaced by the Hon'ble National Company Law Tribunal, New Delhi) seeking extension of time for repayment of the outstanding public deposits (including interest thereon) as is considered reasonable. The holding Company had also identified and earmarked 6 (six) unencumbered land parcels for sale and utilization of the sale proceeds thereof for repayment of the aforesaid outstanding deposits. However, during the financial year 2016-17, the Hon'ble National Company Law Tribunal, New Delhi (NCLT) vide its order dated 04.07.2016 dismissed the said application. On appeal against the said order, the Hon'ble National Company Law Appellate Tribunal, New Delhi (NCLAT) vide its order dated 03.11.2016 extended the date of repayment of deposits upto 31.12.2016. Subsequently, the said appeal was also disposed off by the Hon'ble NCLAT vide its order dated 31.01.2017 without granting any further extension of time. As explained and represented by management, the Company is making best possible efforts for sale of the land parcels earmarked for repayment of the deposits but such sale process is taking time due to global economic recession and liquidity crisis, particularly, in the real estate sector of India. However, regardless of these adverse circumstances and difficulties, the management has represented that they are committed to repay all the public deposits along with interest thereon. Considering that the management has not been able to comply with the directions given by the Hon'ble CLB, NCLT and NCLAT to repay the deposits within prescribed time-period, the Registrar of Companies, New Delhi has filed prosecution against the holding Company and its executive directors and key managerial personnel before the Ld. Special Court, Dwarka District Court, New Delhi. However, the Hon'ble High Court of Delhi stayed the said prosecution, and has subsequently vide its order dated 22.01.2019, allowed the petitions filed by the holding Company and its executive directors & key managerial personnel by setting aside & vacating the impugned Dwarka District court order dated 20.9.2016 with regard to summoning of the executive directors & key managerial personnel. Few depositors filed an intervention application before the Hon'ble Supreme Court in the pending bail matter of the Managing Directors of the holding Company. Considering their application, the Hon'ble Supreme Court vide its order dated 30.10.2017 directed an amicus curiae to create a portal where the depositors can provide their requisite information and, accordingly, in compliance with this direction, a portal had been created for the depositors of the Company. Accordingly, the matter relating to delay in repayment to the depositors is presently pending before the Hon'ble Supreme Court. The Hon'ble Supreme Court, out of the proceeds collected into the designated account of its Registry out of sale of land and other properties of Unitech/IT's group, has made allocations of amount to be refunded to the public-deposit holders.

Besides, the impact of non-provision of interest payable on public deposits of Rs.1,768.68 lacs for the quarter ended 30<sup>th</sup> June 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 consolidated financial results is currently not ascertainable, and hence we are unable to express a conclusion on this matter.

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

The management, in response of the above qualification, states the following:-

The Term Deposits are due to be paid but due to liquidity situation could not be paid. The Company is trying its best to align resource/earmark dedicated properties so that the term deposit holders can be paid. The matter is also seized of the Hon'ble Supreme Court & Hon'ble Delhi High Court and the management expects no other cost other than the stated ones

e) Advances amounting to Rs. 53,746.17 lacs (net of provision for doubtful advances) (previous year ended 31<sup>st</sup> March, 2019 - Rs.57,544.17 lacs (net of provision for doubtful advances)) are outstanding in respect of advances for purchase of land, projects pending commencement, joint ventures and collaborators which, as represented by the management, have been given in the normal course of business to land owning companies, collaborators, projects and for purchase of land. As per information made available to us and explanations given to us Rs. Nil had been recovered / Rs.3,750.00 lacs has been provided for doubtful advances 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 further accrual for diminution of advances is necessary as at 30<sup>th</sup> June, 2019. 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 balance 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/remaining unadjusted for a long period of time, and further, in our opinion, neither the amounts recovered nor rate of recovery of such long outstanding amounts in the previous years & current period, give an indication that all of the remaining outstanding amounts may be fully recoverable; consequently, we are unable to ascertain whether all of the remaining balances as at 30<sup>th</sup> June, 2019 are fully recoverable. Accordingly, we are unable to ascertain or comment upon the impact, if any, on the loss or on the reserves or on value of asset, that may arise in case any of these remaining advances are subsequently determined to be doubtful of recovery, and hence we are unable to express a conclusion on this matter.

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

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 other than those already accounted for is necessary at this stage. The management is confident of recovering/appropriately adjusting the balance in due course.

f) 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 holding Company and the total of such outstandings amount to Rs.185,876.70 lacs. The lenders have initiated action under the SARFAESI Act to take over the respective properties provided as security to the lenders. The Company has challenged the action of the lenders before the various forums of Debt Recovery Tribunals (DRT). We are unable to determine the impact of the likely outcome of the said proceedings before the DRT on the properties given as security to the lenders, and the corresponding loans and also unable to evaluate the ultimate likelihood of penalties/ strictures or further liabilities; and hence we are unable to express a conclusion on this matter.

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

The management, in response of the above qualification, states the following:-

The amount as stated has not been provided in the books of accounts and payment/recovery of dues by the lenders shall not affect the statement of Profit & Loss

g) Claims against company not acknowledged as debt comprising of liquidated damages and other claims by clients/customers and compensation for delayed possession to customers have been estimated by the holding company to be Rs.90,793.85 lacs which is considered as contingent liabilities. Due to non-availability of substantive evidence in support of such claims, we are unable to comment on the correctness or completeness of the amount estimated by the holding company, and hence we are unable to express a conclusion on this matter.

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

The management, in response of the above qualification, states the following:-

The amount has already been included in the contingent liability and final outcome, if any, can only be ascertained only on the completion of the project

h) IL&FS Financial Services Limited (ILFS) had entered into binding understanding in March 2018 for acquisition of various plotted units of land at the group's Uniworl resort at Mohali, Punjab in settlement of outstanding dues of ILFS. The outstanding dues of ILFS of Rs.24,951.22 lacs comprised of principal loan of Rs.24,696.88 lacs and interest accrued of Rs.254.34 lacs as at 31<sup>st</sup> March, 2018. In terms of the aforementioned binding understanding, the Company had, in the financial year ended 31<sup>st</sup> March, 2018, adjusted a sum of Rs.23,307.86 lacs against the outstanding dues by settlement against various plotted units and recognizing sales of Rs.23,307.86 lacs, and consequently the liability of ILFS was reduced to Rs.1,643.36 lacs as at 31<sup>st</sup> March, 2018. However, in the financial year ended 31<sup>st</sup> March, 2019, the Company, upon obtaining balance confirmation statement from ILFS, which had been provided only as at 31<sup>st</sup> December, 2018, observed that the statement of ILFS reflected an unascertained adjustment of dues of Rs.172.78 lacs, and moreover, ILFS had charged additional interest amounting to Rs.3,630.75 lacs for the period from 1<sup>st</sup> April, 2018 to 31<sup>st</sup> December, 2018. ILFS has not provided any confirmation as at 31<sup>st</sup> March, 2019 or thereafter. The Company, in the consolidated financial statements, has not reversed the sales (to the extent not recognized by ILFS), which it had adjusted by way of settlement against plotted units of lands in the financial year ended 31<sup>st</sup> March, 2018, since, as informed by the management, it is pursuing ILFS for specific performance of the aforementioned binding understanding. The Company had also not provided for the interest of Rs.3,630.75 lacs charged by ILFS for the period from 1<sup>st</sup> April, 2018 to 31<sup>st</sup> December, 2018 (had the loan been re-instated in the books of account of the Company). Further, the Company had also not provided for the uncharged interest for the period 1<sup>st</sup> January, 2019 to 31<sup>st</sup> March, 2019 of Rs.1,087.70 lacs; nor has the Company provided for the uncharged interest for the quarter ended 30<sup>th</sup> June, 2019 of Rs.855.99 lacs. Due to non-availability of statement of account from ILFS upto 30<sup>th</sup> June, 2019, and due to the fact that ILFS has not recorded the aforesaid settlement in its books of account, we are unable to comment on the correctness of outstandings claimed by ILFS and of the inventory of adjusted plotted units, and hence we are unable to express a conclusion on this matter.

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

The management, in response of the above qualification, states the following:-

The Company has entered into binding undertaking and thus the loan was adjusted in the FY 17-18. The Company shall ask IL&FS for specific performance and thus reversal of sale or booking of interest is not required.

IV The above is an extract of the detailed format of Consolidated Financial Results for quarter ended June 30, 2019 filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the Annual Standalone and Consolidated Financial Results are available on the Stock Exchange websites (www.bseindia.com/www.nseindia.com) and Company's website www.unitechgroup.com.

V Key Standalone financials are as follows:

Sl No.	Particulars	Quarter Ended 30.06.2019 (Un-audited)	Quarter Ended 30.06.2018 (Un-audited)	Year Ended 31.03.2019 (Audited)
1	Income from Operations (Turnover)	11,776.29	7,794.75	53,456.38
2	Profit/(Loss) Before Tax	(7,907.76)	(7,295.11)	(71,839.74)
3	Profit/(Loss) After Tax	(7,892.64)	(7,295.11)	(66,731.59)
4	Total Comprehensive Income for the period ( Comprising Profit/(Loss) for the period (after tax) and Other Comprehensive Income (after tax)	(7,939.60)	(7,308.61)	(71,522.73)

Place: Gurugram

Dated: September 14, 2019

For Unitech Limited

Ramesh Chandra

Chairman