



UNITECH LIMITED
CIN: L74899DL1971PLC009720
Regd. Office: 6, Community Centre, Saket, New Delhi 110017
Extract of Un-Audited Consolidated Financial Results for the quarter & nine months period ended 31st December, 2021

(Rs. in Lakhs except EPS)

Table with 4 columns: Particulars, Quarter Ended 31.12.2021 (Un-audited), Nine Months Ended 31.12.2021 (Un-audited), Year Ended 31.03.2021 (Audited)
Rows include Total Income from Operations, Net Profit/Loss before tax, Net Profit/Loss after tax, Total Comprehensive Income, etc.

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 on their respective meetings held on 28.02.2023
II. The Report of Statutory auditors on the consolidated financial statement of Unitech Limited for the period ended December 31, 2021, contains qualifications which are being summarized below.

In view of the absence of any NRV assessment by the management and absence of any physical verification report, capitalization of expenses and interest cost, and absence of any basis of bifurcation of projects in financial statements, 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 Consolidated Financial Results.

External Confirmation
The Holding company has not initiated the process of external confirmation for outstanding balances of following areas as on 31st December, 2021 are as follow:-

Table with 4 columns: Particulars, Amount, Provision accounted for till 31.12.2021, Carrying amount
Rows include Trade Receivable, Trade Payable, Advances received from Customers, etc.

The Holding 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 Holding Company.

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

14. Holding 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 Group. In absence of the same, we are unable to express a conclusion on the impact of such contingent liabilities on the Holding Company.

15. The Holding Company has made many adjustments in accordance with Indian Accounting Standards applicable to the company as on 31st March, 2020. The Holding Company is in the process of identifying the impact already incorporated in the books of accounts in previous years. In view of the same, we are unable to express a conclusion on completeness of the impact of Indian Accounting Standard appearing in the books of account of the company.

16. Revenue from real estate projects
The Holding 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 several of various agreements entered by the Holding Company with home buyers, it seems that the Holding Company does not satisfies any of the condition 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.

17. The Holding Company has long outstanding statutory liabilities as on 31st December, 2021, details of which are as follows:-

Table with 4 columns: Nature of dues, Principal amount outstanding (Rs. in lakhs), Outstanding since
Rows include Income tax deducted at source, Professional Tax, Provident Fund, etc.

Regarding tax deducted at source, the Holding Company has decided not to deposit outstanding amount of tax deducted at source till 20th January, 2020 i.e. period before the date when court appointed management took over. Accordingly, the same are still outstanding in the books of accounts of the Holding Company. During period ending 31st December, 2021 the Holding Company is not deducting tax at source at the time of booking of expenses / accounting entry but is deducting the same at the time of payment. Same is in contravention of the provisions of chapter XVII of Income-tax Act, 1961 which mandates deduction of tax at source at earlier of booking or payment.

18. The Holding Company has failed to repay deposits accepted by it including interest thereon in respect of the following deposits:-

Table with 4 columns: Particulars, Unpaid matured deposits (Principal amount) as at 31st March, 2021, Principal paid during the period (Rs. Lakhs), Unpaid matured deposits (Principal Amount) as at 31st December, 2021 (Rs. Lakhs)

Further, the Holding Company has not provided for interest payable on public deposits which works out to Rs. 5,071.15 lakhs for the current period ended 31st December, 2021 (Cumulative upto 31st December, 2021 - Rs. 33,456.91 lakhs). Besides, the impact of non-provision of interest payable on public deposits of Rs. 5,071.15 lakhs for the nine months ended 31st December, 2021 and year to date from 1st April, 2021 to 31st December, 2021 on the profit and loss, we are unable to evaluate the ultimate likelihood of penalties/ strictures or further liabilities, if any, on the Holding Company.

19. 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 outstanding amount to Rs. 5,77,538.92 Lakhs as on 31st December, 2021. The lenders have initiated the action against the Holding company under various acts. 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 a conclusion on this matter.

20. The Holding Company as on 31st December, 2021 which contains the details of intervention Application 'IA' before Hon'ble Supreme Court of India wherein, the Holding Company has stated that erstwhile management has invoked in the state of Hyderabad through a collaboration agreement with M/s Dandamudi 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 Lakhs got adjusted on account of some dues of M/s Dandamudi Estate). Now the new management, is trying to recover the amounts deposited with M/s Dandamudi 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 subject. In view of the same, we are unable to express a conclusion on this matter.

21. The group has goodwill amounting to Rs. 383,80.79 Lakhs appearing in the financial results as on 31st December, 2021 on account of its investment made in subsidiaries. The books of accounts of the subsidiaries are either not available with the Holding Company or if available, they are not audited since last 3-4 years. There are accumulated losses in the subsidiaries and also substantial / full erosion of net worth and hence the recoverability of goodwill could not be ascertained. These are strong indicators of conducting impairment assessment for Goodwill in accordance with the principles of Indian Accounting Standard 36 - 'Impairment of Assets'.

22. The Holding Company has shown income from maintenance charges amounting to Rs. 2,449.67 Lakhs during the period ended 31st December, 2021. We have not been provided with the relevant agreement/ supporting documents to verify completeness and accuracy of said income.

23. The Holding Company is not making provisions / accruals of expenses on reporting dates and is accounting for expenses on cash basis. The same is in violation with conceptual framework of Indian Accounting Standards. Accordingly, we are unable to express an opinion on completeness of financial statements.

24. With respect to opening balances appearing in the books of accounts of the Holding Company as on 01st April, 2020, there is no information / supporting documents available with the Holding 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
Other loans and advance amounting Rs. 320.00 lakhs
Trade receivables and advance received from customers amounting Rs. 1,1930.75.62 Lakhs
Loans/Advances given to joint ventures and associates amounting to Rs. 83.81.00 Lakhs
Loans taken from joint ventures and associates amounting Rs. 154.55.39 Lakhs
Expenses payable amounting Rs. 51,612.06 Lakhs
Current Tax Assets amounting to Rs. 3004.64 Lakhs
Deferred Liability amounting Rs. 2,36,049.12 Lakhs
Advance given for purchase of land amounting 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 CIC 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
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 Consolidated Financial Results as on 31st December, 2021. We had given a disclaimer of opinion on the Consolidated Financial Statements for the year ended 31st March, 2021 in respect of this matter.

25. The Holding Company has not provided the complete details of pending litigations against the Holding Company, outstanding bank and corporate guarantees and commitments to be performed by the Holding Company.

In view of above, we are unable to express a conclusion on the same. We had given a disclaimer of opinion on the Consolidated Financial Statements for the year ended 31st March, 2021 in respect of this matter.

Key Standalone Financials are as follows:

1. We did not review the financial results of 218 subsidiaries (including foreign subsidiaries) included in the Unaudited Consolidated Financial Results, whose unaudited financial results reflects total revenue of Rs. 38,526.71 Lakhs, net loss after tax of Rs. 1,568.69 Lakhs and total comprehensive loss of Rs. 1,590.00 Lakhs for the quarter ended 31st December, 2021. The management of Holding Company is in process of appointing auditors for these subsidiaries. As on the date of the report, for 126 Indian subsidiaries companies, auditors have been appointed and the appointed auditors are in the process of conducting their audit exercise. For remaining subsidiaries, management is in the process of appointing auditors. Also to mention here that 8 subsidiaries have less than the minimum number of directors as required under the provisions of the Companies Act, 2013. For the purpose of consolidation, management has considered unaudited accounts available with them for these subsidiaries. Also included in details of subsidiaries companies above are 32 foreign subsidiaries for which Holding Company is not having updated books of accounts available for these foreign subsidiaries and for the purpose of preparation of these Unaudited Consolidated Financial Results, last audited balance sheets, as available with the Holding Company, were used for these foreign subsidiaries. These last available audited balance sheets pertain to the financial year ending 31st March, 2017 (for 26 companies), 31st March, 2016 (for 1 company) and 31st March, 2010 (for 1 company). In case of 4 companies, last available unaudited details are used for preparation of these Unaudited Consolidated Financial Results.

2. Pursuant to regulation 33(iii)(h) of the Listing Obligations and Disclosure Requirements of Securities and Exchange Board of India, the holding company shall ensure that, for the purposes of quarterly consolidated financial results, at least 80% of each of the consolidated revenue, assets and profits, respectively, shall have been subject to audit or in case of unaudited results, subjected to limited review. The consolidated financial results of the holding company consist of 10.47% of the consolidated revenue, 63.99% of the consolidated assets and 97.74% of the consolidated loss that have been audited by auditors of holding company. Accordingly, the holding company is in non-compliance of the requirements of Listing Obligations and Disclosure Requirements of Securities and Exchange Board of India. In view of the above, we are unable to express an opinion on this matter.

3. Unitech Limited (the Holding Company) held its annual general meeting on 7th July, 2022 which was due on 30th November, 2021. The Holding Company had not applied for any extension for conducting annual general meeting to the Registrar of Companies, NCT of Delhi & Haryana. The Holding Company is in the process of estimation of penalty and other implications due to delay in holding of annual general meeting. Also, for the financial year ending 31st March, 2022, The Holding Company has failed to hold its annual general meeting which was due on 30th September, 2022. For this year also, the company had not applied for any extension for conducting annual general meeting to the Registrar of Companies, NCT of Delhi & Haryana and is in the process of estimation of penalty and other implications due to delay in holding of annual general meeting.

4. The Resolution Framework (RF) for Unitech group which has been prepared under the directions of the Board of Directors of Unitech Limited appointed by the Central Government pursuant to the afore-said order of the Hon'ble Supreme Court and approved by the Board of Directors in their Meeting held on June 17, 2020/ September 10, 2020/ October 28, 2020/ April 27, 2022 which has been filed with the Hon'ble Supreme Court. Through RF, the Holding Company 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.

5. Material uncertainty related to going concern
The Unaudited Consolidated Financial Results wherein the Holding Company has represented that the Unaudited Consolidated Financial Results have been prepared on a going concern basis, notwithstanding the fact that, the Holding Company has incurred losses, and has challenges in meeting its operational obligations, servicing its current liabilities including bank loans and public deposits. The Holding Company also has various litigation matters which are pending before different forums, and various projects of the Holding Company have stalled/slowed down. These conditions indicate the existence of material uncertainty that may cast significant doubt about Holding Company's ability to continue as a going concern. The appropriateness of assumption of going concern is critically dependent upon the Holding 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. Also, the Board of Directors are exploring various possible options for completion of ongoing projects and are trying to generate additional possible revenues by construction of new flats. This activity is getting conducted under supervision of Justice A.M. Sapre, as appointed by Hon'ble Supreme Court of India.

6. The Holding Company had received a 'cancellation of lease deed' notice from Greater Noida Industrial Development Authority ('GNIDA') dated 18 November 2015. As per the Notice, GNIDA cancelled the lease deed in respect of Residential/ Group Housing plots on account of non-implementation of the project and non-payment of various dues amounting to Rs. 105,483.26 lakhs. The said land is also mortgaged and the 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 national possession of this land. The revenue has been recognized on this project.

7. The Unaudited Consolidated Financial Results, Confirmations/reconciliations are pending in respect of amounts deposited by the Holding Company with the Hon'ble Supreme Court. As per books of account an amount of Rs. 45,363.84 lakhs deposited with the Hon'ble Supreme Court Registry ('Registry') is outstanding as at 31st December, 2021. Management has received certain details of payments made and monies received in the registry from the Court and is in process of reconciling the same with entries posted in books of accounts. 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 Consolidated Financial Results of the Company, and hence we are unable to conclude on this matter.

8. The Holding Company has classified some of its property plant and equipment as Investment Property under Indian Accounting Standard 'Ind AS' 40. According to information given and explanation provided to us, by the management, the Company has not disclosed or obtained fair valuation of any of the properties classified as investment property under Ind AS 40. Due to non availability of any valuation reports, we are unable to express a conclusion on this matter.

9. Non-current investment and loans
Holding Company has made investments and given loans to its joint ventures, associates and other. Details as on 31st December, 2021 are as follows:-

Table with 4 columns: Particulars, Amount invested, Impairment accounted for till 31.12.2021, Carrying amount
Rows include Equity investment - joint ventures, Equity investment - associates, etc.

The Unaudited Consolidated 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'.

10. Impairment Assessment of Bank and Corporate Guarantees
The Holding Company is having outstanding bank and corporate guarantee of Rs. 273,622.31 as per its last audited financials for year ending 31st March, 2021. The company has not conducted any impairment assessment on the same in accordance with the principles of Indian Accounting Standards 109 'Financial Instruments'. In view of the same, we are unable to conclude on the same. We had given a disclaimer of opinion on the Consolidated Financial Statements for the year ended 31st March, 2021 in respect of this matter.

11. Trade receivables and other financial assets
The Holding Company has trade receivable and other financial assets as on 31st December, 2021 are as follows:-

Table with 4 columns: Particulars, Amount, Provision accounted for till 31.12.2021, Carrying amount
Rows include Trade Receivable, Security Deposits, Non-Current Loans and Advances, etc.

The Holding 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 Holding 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 Consolidated Financial Results.

12. Inventory and project in progress
Holding Company, as on 31st December, 2021, has shown inventory of Rs. 62,517.96 Lakhs and project in progress 'PIP' of Rs. 17,38,925.43 Lakhs. Holding 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 Holding Company, construction and other operational activities are on hold since last 24-60 months, there are high indicators that such inventory and PIP assets should be tested for evaluating their respective net realisable value 'NRV' in accordance with the requirement of Indian Accounting Standard 2 'Inventories'.

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

Also further, the Holding Company has capitalized expenses to the tune of Rs. 17,793.78 Lakhs as on 31st December, 2021 as construction expenses (including interest expense of Rs. 4,050.18 lakhs). This same is in contravention of the provisions of Indian Accounting Standard 16 'Property plant and equipment' and Indian Accounting Standard 23 'Borrowing cost' as construction activity for all the projects is stalled since last 4-5 years. This has resulted in underestimation of current year loss by above said amount.

13. In view of non-existence of any expected credit loss policy in the Holding 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 Consolidated Financial Results. We had given a disclaimer of opinion on the Consolidated Financial Statements for the year ended 31st March, 2021 in respect of this matter.

14. In view of the above, we are unable to express a conclusion on the same. We had given a disclaimer of opinion on the Consolidated Financial Statements for the year ended 31st March, 2021 in respect of this matter.

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25. In view of the above, we are unable to express a conclusion on the same. We had given a disclaimer of opinion on the Consolidated Financial Statements for the year ended 31st March, 2021 in respect of this matter.

For Unitech Limited
Sd/-
Yudhvir Singh Malik
Chairman & Managing Director

Place: Gurugram
Date: 28th February, 2023

