

unitech UNITECH LIMITED

CIN: L74899DL1971PLC009720

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

Tele Fax: 011-26857338, E-mail: share.dept@unitechgroup.com Web: www.unitechgroup.com

Extract of Un-Audited Consolidated Financial Results for the Quarter & Half Year Ended 30th September, 2020

Table with 4 columns: SI No., Particulars, Quarter Ended 30.09.2020 (Un-audited), Half Year Ended 30.09.2020 (Un-audited), Year Ended 31.03.2020 (Audited). Rows include Total Income from Operations, Net Profit/Loss, etc.

Notes: i. The above Financial Results (prepared on consolidated basis) have been reviewed by Audit Committee and approved by the Board of Directors of Unitech Limited at their respective meetings held on 08th June, 2022

ii. The report of statutory auditors on the consolidated financial statement of Unitech Limited for the period ended September 30, 2020, contains disclaimer of conclusion on certain matters which is being summarized below-

(i) We did not reviewed the financial results of 218 subsidiaries (including foreign subsidiaries) included in the Unaudited Consolidated Financial Results, whose unaudited financial results reflects total assets of Rs. 8999.38.07 Lakhs, total revenue of Rs. 173.42.59 Lakhs, net loss after tax of Rs. 2,006.36 lakhs and total comprehensive loss of Rs. 1,299.44 lakhs for the quarter ended 30th September, 2020 and year to date results for the period from 1st April, 2020 to 30th September, 2020.

(ii) Unitech Limited ("the Holding 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.

(iii) Unaudited Consolidated 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.

(iv) Unaudited Consolidated Financial Results wherein the Group has represented that the Unaudited Consolidated Financial Results have been prepared on a going concern basis, notwithstanding the fact that, the Group has incurred losses, and has challenges in meeting its operational obligations, servicing its current liabilities including bank loans and public deposits.

(v) Unaudited Consolidated Financial Results. The Holding Company had received a 'cancellation of lease deed' notice from Greater Noida Industrial Development Authority ("GNIDA") dated 18th 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.

(vi) 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. 480.66.95 lakhs deposited with the Hon'ble Supreme Court Registry ("Registry") is outstanding as at 30th September, 2020.

(vii) Non-current investment and loans The Holding Company has made investments and given loans to its joint ventures, associates and other. Details as on 30th September, 2020 are as follows:-

Table with 4 columns: Particulars, Amount invested, Impairment accounted for till 30.09.2020, 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".

(viii) Impairment Assessment of Bank and Corporate Guarantees The Unaudited Consolidated Financial Results, wherein it is stated that the holding company is having outstanding bank and corporate guarantee of Rs. 2736.22.31 as per audited financials for year ending 31st March, 2020. The holding company has not conducted any impairment assessment on the same in accordance with the principles of Indian Accounting Standards 109 "financial instruments".

(ix) Trade receivables and other financial assets The Holding Company has trade receivable and other financial assets as on 30th September, 2020 are as follows:-

Table with 4 columns: Particulars, Amount, Provision accounted for till 30.09.2020, Carrying amount. Rows include Trade Receivable, Security Deposits, Non-Current Loans and Advances, etc.

The Unaudited Consolidated Financial Results, 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".

(x) Inventory and project in progress The Unaudited Consolidated Financial Results, Holding Company, as on 30th September, 2020, has shown inventory of Rs. 62,517.96 Lakhs and project in progress "PIP" of Rs. 17,16,103.46 Lakhs.

(xi) External Confirmation The Holding Company has not initiated the process of external confirmation for outstanding balances of following areas as on 30th September, 2020 are as follow:-

Table with 4 columns: Particulars, Amount, Provision accounted for till 30.09.2020, Carrying amount. Rows include Trade Receivable, Trade Payable, Advances received from Customers, etc.

The Unaudited Consolidated Financial Results, 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.

(xii) The Unaudited Consolidated Financial Results, 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.

(xiii) Revenue from real estate projects The Unaudited Consolidated Financial Results, 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.

(xiv) The Holding Company has long outstanding statutory liabilities as on 30th September, 2020, details of which are as follows:-

Table with 3 columns: Nature of dues, Principal amount outstanding (Rs. in lakhs), Outstanding since. Rows include Income tax deducted at source, Professional Tax, Provident Fund.

The Unaudited Consolidated Financial Results, Also, with respect to goods and services tax, the holding company has revoked the cancellation of its GST Registration in the state of Haryana during the year. The Holding Company is in discussion with the authorities release cancellation on its registration numbers in other states and is in process of filing returns with the authorities.

(xv) The Unaudited Consolidated Financial Results, 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 2020, Principal paid during the Period (Rs. Lakhs), Unpaid matured deposits (Principal amount) as at 30th September 2020 (Rs. Lakhs).

(xvi) The Unaudited Consolidated 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 Holding Company and the total of such outstanding amount to Rs. 501,867.70 Lakhs as on 30th September, 2020.

(xvii) The Unaudited Consolidated Financial Results of the Holding Company as on 30th September, 2020 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 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 lakhs got adjusted on account of some dues of M/s Dandamundi Estate).

(xviii) The Unaudited Consolidated Financial Results, the group has good will amounting to Rs. 383.80.79 Lakhs appearing in the financial results as on 30th September, 2020 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.

(xix) The Unaudited Consolidated Financial Results, 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. 5,20.00 lakhs
Trade receivables and advance deferred from customers amounting Rs. 11930.75.62 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
Advance for purchase of shares amounting Rs. 310.79.48 Lakhs
Expenses payable amounting Rs. 516.12.66 Lakhs
Current Tax Assets amounting to Rs. 30.04.64 Lakhs
Deferred Liability amounting Rs. 2360.49.12 Lakhs
Advance given for purchase of land amounting to Rs. 612.87.37 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 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
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

(xx) The Unaudited Consolidated Financial Results, The Holding 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 Holding 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.

(xxi) The Unaudited Consolidated Financial Results, A forensic audit of the Holding 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 Holding Company or its Board of Directors; hence impact of observations in the forensic audit report can be ascertained only after the same is obtained.

(xxii) We did not audit the financial statements/information of Libya branch office, included in the Consolidated financial statements of the Holding Company, whose financial statements/ information reflect total assets of Rs. 43,49.35 lakhs (Previous year Rs. 44,17.45 lakhs) as at 31st March, 2020 and total revenues of Rs. Nil (Previous year Rs. Nil) for the year ended on that date, as considered in the Consolidated financial statements and described above. The Holding Company has also made provision against all assets of Rs. 43,49.35 Lakhs (Previous year 2019-20 Rs. 44,17.45 Lakhs). The financial statements/information of this branch have not yet been audited by the branch auditor but the adverse political situation prevailing in Libya.

(xxiii) The Unaudited Consolidated Financial Results includes comparative financial figures of the Holding Company for the quarter ended September 30, 2019 which have been reviewed by the predecessor auditor vide its reports dated September 14, 2019 in which the predecessor auditor has expressed disclaimer of conclusion. The Unaudited Consolidated Financial Results also includes figures of the Holding Company for the year ended March 31, 2020, audited by the predecessor auditor vide its report dated November 09, 2020.

(xxiv) The Unaudited Consolidated Financial Results include figures of three months ended 30th September, 2019 as reported in these Unaudited Consolidated Financial Results are the balancing figures between unaudited figures in respect of quarter ended 30th June, 2019 and published year to date figures upto 30th September, 2019. The figures upto 30th September, 2019 had only been reviewed by the predecessor auditor and not subjected to audit.

(xxv) The Unaudited Consolidated Financial Results, The Holding Company has accounted for following provisions/impairment in the Unaudited Consolidated Financial Results for the half year ended 30th September, 2020:-

- 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 Holding Company has no evidence regarding recoverability of these advances.
Reversal of deferred tax assets of Rs. 24,62.66 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 the earlier year and interest receivable of Rs. 475.21 lakhs. The Holding Company has no evidence regarding recoverability of these advances
Impairment in Goodwill of Rs 18,78.75 lakhs

All of the above-mentioned adjustments carried in quarter ending 30th September, 2020 and year to date results for the period from 1st April 2020 to 30th September 2020 pertains to the earlier period presented by the management for which annual general meeting was already held and the accounts were already audited therein. This gives an indication that there were errors in the financial of earlier period which requires restatement as required under provisions of Indian Accounting Standard 8 "accounting policies, changes in accounting estimates and errors". The Holding 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.

(xxvi) The Unaudited Consolidated Financial Results, the holding company has shown income from maintenance charges amounting to Rs. 16,66.38 Lakhs for the period ended 30th September, 2020. We have not been provided with the relevant agreement/ supporting documents to verify completeness and accuracy of said income.

III. The above is an extract of the detailed format of Consolidated Financial Results for the quarter & half year ended September 30, 2020 filed with the Stock Exchange under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the Standalone and Consolidated Financial Results are available on the Stock Exchange websites (www.sebiindia.com/ www.nseindia.com) and Company's website www.unitechgroup.com.

IV. Key Standalone Financials are as follows:

Table with 4 columns: SI No., Particulars, Quarter Ended 30.09.2020 (Unaudited), Half Year Ended 30.09.2020 (Un-audited), Year Ended 31.03.2020 (Audited). Rows include Income from Operations (Turnover), Profit/(Loss) Before Tax, Profit/(Loss) After Tax, Total Comprehensive Income for the period.

For Unitech Limited Yudhir Singh Malik Chairman & Managing Director

Place: Gurugram Dated: June 08, 2022

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