Unitech Limited
CIN: L74899DL1971PLC009720

unitech

29th August, 2018

National Stock Exchange of India Limited [NSE] Listing Compliance 'Exchange Plaza', Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051	BSE Limited Corporate Relations Department P. J. Towers, Dalal Street, Fort, Mumbai
Scrip Code : UNITECH	Scrip Code : 507878

Sub. : **Outcome of the Board Meeting held on 29th August, 2018**
Company Code No. : 507878; Symbol: UNITECH

Dear Sirs,

This is to inform you that the Board of Directors, in its meeting held on 29th August, 2018, has *inter alia* approved the Un-audited Standalone Financial Results for the quarter ended 30th June 2018.

The standalone results along with the Limited Review Report are enclosed herewith.

Further, the Board of Directors of the Company has appointed Mr. Kali Charan Agarwal as an Additional Non-Executive Independent Director on the Board of the Company with effect from 29th August, 2018 for a term of five years subject to approval of the members in the General Meeting.

Brief Profile: Mr. Kali Charan Agarwal, 68, having Diploma in Mechanical Engineering and experience of more than 30 years.

Mr. Kali Charan Agarwal is not related to any of the Directors of the Company.

This is for your information, record and compliance under the applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thanking you,

Yours truly,
For **Unitech Limited**

Ramesh Chandra
Executive Chairman

Encl.: a/a

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Independent Auditor's Review Report on the quarterly unaudited Standalone Financial Results of **Unitech Limited** pursuant to Regulations 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 30th June 2018 (the Statement), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulations").

2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting"("IND AS 34"). Our responsibility is to issue a report on the Statement 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 Auditors 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 Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

4. We draw attention to the following observations:

(a) Advances amounting to Rs. 63,359.64 lacs (previous year ended 31st March, 2018 Rs. 63,359.64 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. Nil had been recovered / adjusted during the current quarter. 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

R. Nagpal Associates New Delhi Chartered Accountants necessary as at 30th June 2018. 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 years & current quarter, 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 30th June 2018 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 us in our report on the standalone financial statements for the year ended 31st March 2018.

(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 quarter and previous year(s) and, that the current liabilities of these parties exceeded their respective current assets as at 30th June 2018. 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 is estimated to be Rs.39,317.52 lacs upto 30th June 2018 (Previous year ended 31st March, 2018 - Rs. 39,183.04 lacs) and an accrual for diminution of doubtful debts and advances amounting to Rs.32,877.94 lacs upto 30th June 2018 (Previous year ended 31st March, 2018 - Rs. 32,995.94 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 loss for the quarter ended 30th June

2018 would have been higher by Rs.72,195.46 lacs (Previous year ended 31st March, 2018- Rs. 72,178.98 lacs). Our opinion on the standalone financial statements for the year ended 31st March, 2018 was also qualified in respect of this matter.

c) An amount of Rs. 93,857.64 lacs is outstanding as at 30th June 2018 (Previous year ended 31st March 2018 – Rs. 91,507.99 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. 18,295.87 lacs as at 30th June 2018 (Previous year ended 31st March 2018 – Rs. 18,572.28 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 30th June 2018. 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 30th June 2018 are outstanding/remained unadjusted for a long period of time. Based on our assessment and review procedures performed, in our opinion, trade receivables amounting to Rs. 18,295.87 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. 18,295.87 lacs and the loss for the quarter ended 30th June 2018 would have been higher by Rs. 18,295.87 lacs. Our opinion on the standalone financial statements for the year ended 31st March, 2018 was also qualified in respect of this matter.

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.105,483.26 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.13,893.42 lacs has been forfeited out of the total amount paid till date. The Company has incurred total expenditure of Rs.213,911.06 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 31st March 2016, of Rs.99,091.90 lacs; and

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(iii) other construction costs amounting to Rs.80,597.27 lacs]. The 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 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. 9,158.39 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 standalone financial results of the Company. Our opinion on the standalone financial statements for the year ended 31st March, 2018 was also qualified in respect of this matter.

As per management, the 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.

e) 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 31st March 2018 (Rs lacs)	Principal paid during the current quarter (Rs lacs)	Unpaid matured deposits (Principal amount) as at 30th June 2018 (Rs lacs)
Deposits that have matured on or before March 31, 2017	53,154.33	46.59	53,107.74

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Pursuant to Section 74(2) of the Companies Act, 2013, the 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 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 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 has stayed the said prosecution. Few depositors filed an intervention application before the Hon'ble Supreme Court in the pending bail matter of the Managing Directors of the 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 has 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. 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 above, on the standalone financial results is currently not ascertainable.

Further, the Company has not provided for interest payable on public deposits which works out to Rs. 1,770.78 lacs for the current quarter (Previous year ended 31st March 2018 – Rs. 7,132.03 lacs). Had the Company accounted for such interest, the loss for the quarter ended 30th June 2018 would have been higher by Rs.1,770.78 lacs.

Our opinion on the standalone financial statements for the year ended 31st March, 2018 was also qualified in respect of this matter.

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New Delhi
Chartered Accountants

f. The Hon'ble Supreme Court had vide its Order dated 08.09.2017 appointed an *amicus curiae* with directions to create a web portal where the home buyers could indicate their option of (i) refund of money they have paid to the Company/companies in the group, for purchasing residential units or (ii) possession of house. As at the close of the quarter ending 30th June 2018, out of the total 16300 customers, there are 5545 customers (net of such customers who had sought refund earlier and have subsequently opted for possession of house) who have sought the refund of the money paid to the Company. The total value of such refunds, amounting to Rs. 228,595.22 lacs, has been duly reflected by the Company in the accounts in accordance with the accounting policies.

5. Emphasis of matters

a. We draw attention that no adjustment has been considered necessary for recoverability of investment in share capital/projects aggregating to Rs. 2,793.79 lacs (Previous year ended 31st March, 2018 Rs. 2,791.23 lacs) as the matters are still sub-judice and the impact, if any is unascertainable at this stage. Our opinion is not modified in respect of this matter.

b. 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 invest USD 298,382,949.34 (Previous year USD 298,382,949.34) equivalent to Rs.204631.03 lacs (Previous year Rs. 194068.27 lacs) in Kerrush Investments Ltd (Mauritius). 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 company believes that, subsequently, its economic interest in the SRA project in Santacruz Mumbai shall stand increased proportionately thereby creating a substantial asset for the company with an immense development potential.

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. Our opinion is not modified in respect of this matter.

6. Attention is drawn to the fact that the figures for the three months ended 31st March, 2018 as reported in these unaudited standalone financial results are the balancing figures between the audited figures in respect of the year ended 31st March, 2018 and the published year-to-date figures upto 31st December 2017, being the date of the end of the third quarter of the previous

R. Nagpal Associates * New Delhi * Chartered Accountants financial year. The figures upto the end of the third quarter of the previous financial year had only been reviewed by us and not subjected to audit.

7. In our opinion and to the best of our information and according to the explanations given to us the Statement, *subject to our observations in the Paragraph 4 above*:

(i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and

(ii) gives a true and fair view of the net loss, total comprehensive income and other financial information for the quarter ended 30th June 2018.

For R. Nagpal Associates
Chartered Accountants
Firm Registration No. 002626N

R. Nagpal Associates
New Delhi
Chartered Accountants

(CA. Ravinder Nagpal)
Partner
Membership No. 081594

Place: Gurugram
Date: 29th August 2018

UNITECH LIMITED

CIN: L74899DL1971PLC009720

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

Statement of Standalone Results

for the Quarter Ended June 30, 2018

(Rs. in Lacs except EPS)

Sl. No.	Particulars	Quarter Ended			Year Ended
		30.06.2018	31.03.2018	30.06.2017	31.03.2018
		(Unaudited)	Audited	(Unaudited)	Audited
I	Revenue from Operation	7,629.07	61,818.58	19,596.46	124,037.12
II	Other Income	165.68	(8.86)	9,303.67	3,197.95
III	**Revenue (I+II)**	7,794.75	61,809.72	28,900.13	127,235.07
IV	**Expenses**				
	Real estate, Construction and Related Expenses	5,517.30	40,446.03	19,438.83	77,213.11
	Changes in Inventories of finished properties, land, land development right and work in progress	20.65	15,625.51	82.44	15,727.42
	Employee Benefits Expense	1,541.43	1,518.49	1,882.38	6,943.37
	Finance Costs	7,358.93	684.86	8,153.99	24,160.98
	Depreciation and Amortisation Expense	82.83	82.84	95.46	326.05
	Other expenses	568.72	20,368.98	901.69	21,841.60
	Total Expenses (IV)	15,089.86	78,726.71	30,554.79	146,212.53
V	**Profit/(Loss) from Operations before Exceptional Items & Tax (III-IV)**	(7,295.11)	(16,916.99)	(1,654.66)	(18,977.46)
VI	Exceptional items	-	6,086.09	-	6,086.09
VII	**Profit/(Loss) before Tax (V-VI)**	(7,295.11)	(23,003.08)	(1,654.66)	(25,063.55)
VIII	Tax Expense				
	(a) Current Tax				
	Current Year	-	-	-	-
	Less : MAT credit entitlement	-	-	-	-
	Earlier Years	-	(2,578.93)	-	(2,578.93)
	(b) Deferred Tax	-	(125.72)	(7.14)	(637.88)
IX	**Net Profit from Ordinary Activities after tax (VII-VIII)**	(7,295.11)	(20,298.43)	(1,647.52)	(21,846.73)
X	Less : Extraordinary items (Net of Tax Expense)	-	-	-	-
XI	**Net Profit for the Year (IX-X)**	(7,295.11)	(20,298.43)	(1,647.52)	(21,846.73)
XII	Other Comprehensive Income (net of tax)	(13.50)	(2,241.48)	43.20	(2,163.10)
XIII	**Total Comprehensive Income (XI+XII)**	(7,308.61)	(22,539.90)	(1,604.32)	(24,009.84)
XIV	Other Equity excluding Revaluation Reserves		-		759,860.04
XV	Paid-up equity share capital (Face Value - Rs. 2 per share)	52,326.02	52,326.02	52,326.02	52,326.02
XVI	**Earning Per share (Before Extraordinary Items) (of Rs. 2 each) *(Not Annualised)**				
	Basic and Diluted (Rs.)	(0.28)	(0.71)*	(0.01)*	(0.96)
XVII	**Earning Per share (After Extraordinary Items) (of Rs.2 each) *(Not Annualised)**				
	Basic and Diluted (Rs.)	(0.28)	(0.71)*	(0.01)*	(0.96)

UNITECH LIMITED * GURGAON *

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 August29, 2018 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	Ind AS 115 Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after April 1, 2018, replaces existing revenue recognition requirements. The application of Ind AS 115 has impacted the Company's accounting for recognition of revenue from real estate projects. The Company has applied the modified retrospective approach to such contracts with the customers, where the Company has not commenced the delivery of units as yet. The company has identified such projects and has reversed Rs 566.06 Cr (net of tax Rs 373.66 Crores) from its retained earnings. Accordingly, the figures for the comparative previous periods have been restated. Due to the application of Ind AS 115 for the period ended June 30, 2018, revenue from operations is lower by ₹ 72.60 Crores than what it would have been if replaced standards were applicable
IV	The report of statutory auditors on the unaudited standalone financial statements of Unitech Limited for the period ended June 30, 2018, contains qualifications which are being summarised below:-
a)	"Advances amounting to Rs. 63,359.64 lacs (previous year ended 31st March, 2018 Rs. 63,359.64 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. Nil had been recovered / adjusted during the current quarter. 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 30th June 2018. 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 years & current quarter, 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 30th June 2018 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 us in our report on the standalone financial statements for the year ended 31st March 2018."

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	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.
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 quarter and previous year(s) and, that the current liabilities of these parties exceeded their respective current assets as at 30th June 2018. 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 is estimated to be Rs.39,317.52 lacs upto 30th June 2018 (Previous year ended 31st March, 2018 - Rs. 39,183.04 lacs) and an accrual for diminution of doubtful debts and advances amounting to Rs.32,877.94 lacs upto 30th June 2018 (Previous year ended 31st March, 2018 - Rs. 32,995.94 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 loss for the quarter ended 30th June 2018 would have been higher by Rs.72,195.46 lacs (Previous year ended 31st March, 2018- Rs. 72,178.98 lacs). Our opinion on the standalone financial statements for the year ended 31st March, 2018 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/impairment other than those already accounted for, has been considered necessary.
c)	"An amount of Rs. 93,857.64 lacs is outstanding as at 30th June 2018 (Previous year ended 31st March 2018 - Rs. 91,507.99 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. 18,295.87 lacs as at 30th June 2018 (Previous year ended 31st March 2018 - Rs. 18,572.28 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

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	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 30th June 2018. 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 30th June 2018 are outstanding/remained unadjusted for a long period of time. Based on our assessment and review procedures performed, in our opinion, trade receivables amounting to Rs. 18,295.87 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. 18,295.87 lacs and the loss for the quarter ended 30th June 2018 would have been higher by Rs. 18,295.87 lacs. Our opinion on the standalone financial statements for the year ended 31st March, 2018 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 30th June, 2018. 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.105,483.26 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.13,893.42 lacs has been forfeited out of the total amount paid till date. The Company has incurred total expenditure of Rs.213,911.06 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 31st March 2016, of Rs.99,091.90 lacs; and (iii) other construction costs amounting to Rs.80,597.27 lacs]. The 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 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. 9,158.39 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

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	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 standalone financial results of the Company. Our opinion on the standalone financial statements for the year ended 31st March, 2018 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 company has been informed during the meeting held with GNIDA officials on 30.05.2017, that the authority is revoking the cancellation of the lease deed of the said plot, and shall reinstate the land position as it was before.
e)	The Hon'ble Supreme Court had vide its Order dated 08.09.2017 appointed an *amicus curiae* with directions to create a web portal where the home buyers could indicate their option of (i) refund of money they have paid to the Company/companies in the group, for purchasing residential units or (ii) possession of house. As at the close of the quarter ending 30th June 2018, out of the total 16300 customers, there are 5545 customers (net of such customers who had sought refund earlier and have subsequently opted for possession of house) who have sought the refund of the money paid to the Company. The total value of such refunds, amounting to Rs. 228,595.22 lacs, has been duly reflected by the Company in the accounts in accordance with the accounting policies.
V	The figures of previous year/periods have been re-grouped/re-arranged wherever considered necessary for the purpose of comparison.

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For **Unitech Limited**

Ramesh Chandra
Chairman

Place: Gurugram
Dated: August 29, 2018

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