

21st June, 2024

National Stock Exchange of India Limited [NSE]
Listing Compliance
'Exchange Plaza', C/1, Block G,
Bandra-Kurla Complex,
Bandra (East),
Mumbai - 400 051

Symbol: UNITECH

Subject: Submission of signed copies of Statement on Impact of Audit Qualifications (Standalone & Consolidated) for the year ended 31st March, 2024.

Reference: Clarification for Financial results - UNITECH

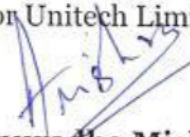
Dear Sirs,

With reference to your clarification email dated 20th June, 2024, please find enclosed herewith signed copies of Statement on Impact of Audit qualifications (Standalone and Consolidated) as per SEBI prescribed format for the year ended 31st March, 2024.

This is for your information and records.

Yours truly,

For Unitech Limited


Anuradha Mishra
Company Secretary & Compliance Officer



Encl.: as above

ANNEXURE I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Standalone Financial Results

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2024

[See Regulation 33 of the SEBI (LODR) Regulations, 2015]

Sr. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
		Rs. in Lakh	Rs. in Lakh
1	Turnover / Total income	19,257.11	19,257.11
2	Total Expenditure	275,525.39	275,525.39
3	Exceptional items	-	-
4	Total tax expenses	-	-
5	Net Profit/(Loss)	(256,268.28)	(256,268.28)
6	Earnings Per Share		†
	Basic	(9.80)	(9.80)
	Diluted	(9.80)	(9.80)
7	Total Assets	1,674,881.17	1,674,881.17
8	Total Liabilities	1,880,467.74	1,880,467.74
9	Net Worth	(205,586.57)	(205,586.57)
10	Any other financial item(s) (as felt appropriate by the management)		

Audit Qualifications:-

Matter 1

1	Details of Audit Qualifications:-	
	We have made references to the Resolution Framework (RF) for Unitech group. The company has requested the Hon'ble Supreme Court to grant some concessions and reliefs so that the company is able to fulfil its obligations towards the construction of the projects and meet other liabilities. Since the RF has not yet been approved by the Hon'ble Supreme Court, the impact of the proposed reliefs, concessions etc. have not been considered in the books of accounts.	
2	Type of Audit Qualifications:	Disclaimer of Opinion
3	Frequency of Qualifications:	Repetitive, 4th year
4	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views	
5	For Audit Qualification(s) where the impact is not quantified by the auditor:	
	(i) Management's estimation on the impact of audit qualification:	
	(ii) If management is unable to estimate the impact, reasons for the same:	
	The points mentioned herein are informative in nature and the Management has no further comments to offer on the same	
	(iii) Auditors' Comments on (i) or (ii) above:	
	Can not be quantified as on the date of our report due to details not available	

Matter 2

1	Details of Audit Qualifications:-	
	Material uncertainty related to going concern	
	The management has represented that the Standalone Financial Results have been prepared on a going concern basis, notwithstanding the fact that the Company has eroded its net worth and has incurred losses, both in the current and previous year, and has challenges in meeting its obligations, servicing its current liabilities including bank loans and public deposits. The Company also has various litigation matters which are pending before different forums, and further, various projects of the Company have stalled/ slowed down. In compliance of the directions of the Hon'ble Supreme Court, as contained in court's order dated 20th January 2020, the appointed Board of Directors has requested the hon'ble Supreme Court to grant certain concessions and reliefs so that the Company is able to fulfill its obligations towards the construction and completion of in-complete projects and meet other liabilities. These conditions indicate the existence of material uncertainty that may cast significant doubt about Company's ability to continue as a going concern. The appropriateness of assumption of going concern is critically dependent upon the 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. Considering the above, we are unable to express an opinion on this matter.	
2	Type of Audit Qualifications:	Disclaimer of Opinion
3	Frequency of Qualifications:	Repetitive, 4th year
4	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views	
5	For Audit Qualification(s) where the impact is not quantified by the auditor:	
	(i) Management's estimation on the impact of audit qualification:	
	(ii) If management is unable to estimate the impact, reasons for the same:	
	The points mentioned herein are informative in nature and the Management has no further comments to offer on the same.	
	The Management has already stated its position in the Resolution Framework submitted in the Hon'ble Supreme Court on 15.07.2020, followed by updated versions submitted on 05.02.2021 and on 08.08.2022, wherein the Hon'ble Supreme Court has been prayed to grant certain concessions and reliefs so that the Company is able to fulfill its obligations towards the construction and completion of projects and meet other liabilities. The reasons for opting against winding up the Company or its reference under IBC have fully been explained in the application filed for submission of the Resolution Framework. The Management is hopeful that as per mandate given by Hon'ble Supreme Court, the company would be able to generate sufficient funds to complete the projects as per timelines notified in the award of contracts and, accordingly, no material uncertainty exists in the Company continuing as a going concern. As such, expressing doubts about the Company as an ongoing concern is rather pre-mature at this stage.	
	(iii) Auditors' Comments on (i) or (ii) above:	
	Can not be quantified as on the date of our report due to details not available	



Matter 3	
1	Details of Audit Qualifications:-
	The Management of the Company has not conducted any impairment assessment for the investments made by the erstwhile management in subsidiary companies, joint venture and associates having aggregate carrying value of Rs. 954,96.43 lakhs, despite of strong indicators existing for impairment assessment, as required by Ind AS 36, 'Impairment of Assets'. In view of non-existence of any impairment study, we are unable to express an opinion upon the adjustments, if any, that may be required to the carrying value of these investments and its consequential impact on the Standalone Financial Statements.
2	Type of Audit Qualifications:
3	Frequency of Qualifications:
4	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views
5	For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification:
	(ii) If management is unable to estimate the impact, reasons for the same:
	Unitech Limited has 186 Indian subsidiary companies out of which 08 subsidiary Companies stood struck off by the Registrar of Companies, NCT Delhi and Haryana at the time when the new management joined. The Company has moved the National Company Law Tribunal (NCLT) for the revival of the said struck off subsidiaries, out of which 07 subsidiary companies have already been ordered for revival. The progress in audit of accounts of these 186 subsidiaries is as under: (a) Statutory Auditors appointed in respect of 156 Indian subsidiary companies so far; (b) Appointment of Statutory auditors under progress in case of 9 subsidiaries; (c) For the remaining 13 Subsidiaries, wherein there is a substantial foreign investment, necessary steps are being taken by the Company in this regard. As regards 32 foreign subsidiaries along with Libya Division and 03 foreign JVs, the management has listed down their available details. These are as under: (a) Audited Balance Sheets of 04 foreign subsidiaries, 02 foreign JVs, and that of Libya Division are not available with the Company. (b) For rest of the Companies, the last audited available Balance Sheets are those of 31.03.2017 except for two Companies whose available Balance Sheets are those of 31.03.2010 and 31.03.2016. Moreover, it is pertinent to mention that, as per information available to the new management, the Central Investigating Agencies are believed to be engaged with the issues pertaining to these entities. The matter regarding investment in Carnoustie Management Pvt Ltd (CMPL) and CIG is under investigations by the Investigating Agencies and the Enforcement Directorate (ED) has issued various attachment orders. The Management has included the transactions with CMPL and CIG as avoidable in the Resolution Framework submitted before the Hon'ble Supreme Court. It is pertinent to mention here that Unitech Limited has also filed an IA in the Hon'ble Supreme Court for the recovery of the investments made in CMPL, which has been heard but the order is awaited. However, keeping in view the investigations being carried out by the ED, approval of the Provisional Attachment Orders (PAOs) by the Adjudicating Authority and the ED having filed Prosecution Complaints before the Special Court under the PMLA, the Company is left with no option but to await the final outcome in these matters. In view of the position explained above, it is neither possible nor feasible at this stage to undertake any impairment assessment. The impairment assessment can be got conducted by the company through some expert in accordance with applicable Accounting Standards (Ind As 36), only after having in possession the complete details / documents / reports etc (iii) Auditors' Comments on (i) or (ii) above: Can not be quantified as on the date of our report due to details not available
Matter 4	
1	Details of Audit Qualifications:-
	We have not been provided with sufficient evidence about the recognition of fair value of the estimated loss allowance on loans and advance given by erstwhile management to subsidiary companies, joint ventures and associates amounting to Rs.4461,93.80 lakhs and trade receivables from subsidiary companies, joint ventures and associates amounting to Rs. 45,55.07 lakhs as required by Ind AS 109, 'Financial Instruments'. We are therefore unable to express an opinion on the recoverability of the loans and trade receivables from subsidiary, joint ventures and associates, fair value of estimated loss allowance on loans and trade receivables given and the consequential impact on the Standalone Financial Statements.
2	Type of Audit Qualifications:
3	Frequency of Qualifications:
4	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views
5	For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification:
	(ii) If management is unable to estimate the impact, reasons for the same:
	All available information /details/ documents in possession of the company stand provided to the Statutory Auditors. However, the fair estimation w.r.t. the recognition of fair value of the estimated loss allowance on loans given by the erstwhile management to subsidiary companies, joint ventures and associates and trade receivables from subsidiary companies, joint ventures and associates, is not feasible as of now, because of the ongoing investigations by the ED, and the ED having filed charge-sheets before the Adjudicating Authority under PMLA and the matter being sub-judice. This job will be completed by engagement of experts only after the final verdicts are available by the Hon'ble Court(s). (iii) Auditors' Comments on (i) or (ii) above: Can not be quantified as on the date of our report due to details not available
Matter 5	
1	Details of Audit Qualifications:-
	We draw attention to the details of corporate and bank guarantees issued by the erstwhile management for its subsidiaries and joint ventures. We have not been provided sufficient evidence regarding recognition of fair value of the estimated loss allowance on corporate guarantee given by erstwhile management on behalf of its subsidiary, joint ventures and associates amounting Rs. 121,985.70 lakhs as required by Ind AS 109, 'Financial Instruments'. We are therefore unable to express an opinion on the fair value of estimated loss allowance on corporate and bank guarantee.
2	Type of Audit Qualifications:
3	Frequency of Qualifications:
4	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
5	For Audit Qualification(s) where the impact is not quantified by the auditor:



	(i) Management's estimation on the impact of audit qualification:
	(ii) If management is unable to estimate the impact, reasons for the same:
	There are a number of secured, unsecured and operational creditors qua the company and its subsidiaries, JVs and other affiliates. Further, the Company and promoters have also given various kinds of Guarantees, including Bank Guarantees and Corporate Guarantees, the lists whereof (to the extent of availability of records), surviving or matured, have been shared with Statutory Auditors. However, it may not be possible to vouchsafe at this stage that these are the only Guarantees given by the Company. The issues pertaining to secured, unsecured and operational creditors have been covered in Chapter -3 of the Resolution Framework (RF). Apart from seeking various reliefs and concessions qua such creditors, the RF also contains a provision on invitation of Claims and settlement thereof (3.2). These issues have yet not been adjudicated by the Hon'ble Supreme Court. Hence, it is neither possible nor feasible at this stage to undertake any impairment assessment of secured creditors, and/or Corporate Guarantees till these related issues are crystallized and settled by the Hon'ble Supreme Court. Likewise, some of the investments/ advances made by the company are a subject matter of investigations being conducted by various Central Investigating Agencies.
	(iii) Auditors' Comments on (i) or (ii) above:
	Can not be quantified as on the date of our report due to details not available
Matter 6	
1	Details of Audit Qualifications:-
	The Management of the Company has not conducted any impairment assessment for the investments made and advances given for purchase of land by the erstwhile management in unrelated companies / entities having aggregate carrying value of Rs. 345,76.40 lakhs and Rs. 312,90.99 lakhs respectively, despite of strong indicators existing for impairment assessment, as required by Ind AS 36, 'Impairment of Assets'. In view of non-existence of any impairment study, we are unable to express an opinion upon the adjustments, if any, that may be required to the carrying value of these investments and its consequential impact on the Standalone Financial Statements.
2	Type of Audit Qualifications:
	Disclaimer of Opinion
3	Frequency of Qualifications:
	Repetitive, 4th year
4	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
5	For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification:
	(ii) If management is unable to estimate the impact, reasons for the same:
	As already stated, various issues (including the investments made and advances given for purchase of land by the erstwhile management in unrelated companies/ entities) as mentioned in Resolution Framework have yet not been adjudicated by the Hon'ble Supreme Court. Hence, it is neither possible nor feasible at this stage to undertake any impairment assessment of investments made and advances given for purchase of land by the erstwhile management till these related issues are crystallized and settled by the Hon'ble Supreme Court. Likewise, some of the investments/ advances made by the company are a subject matter of investigations being conducted by various Central Investigating Agencies.
	(iii) Auditors' Comments on (i) or (ii) above:
	Can not be quantified as on the date of our report due to details not available
Matter 7	
1	Details of Audit Qualifications:-
	We have not been provided with sufficient evidence about the recognition of fair value of the estimated loss allowance on loans given by erstwhile management to unrelated companies / entities amounting to Rs. 60,61.54 lakhs, trade receivables amounting Rs. 410,82.37 lakhs, inter corporate deposit amounting to Rs. 138,53.66 lakhs and security deposits given amounting Rs. 522,98.93 lakhs as required by Ind AS 109, 'Financial Instruments'. We are therefore unable to express an opinion on the recoverability of the loans given, trade receivables and security deposits given from unrelated companies / entities, fair value of estimated loss allowance on loans given, trade receivables and security deposits given, and the consequential impact on the standalone financial statements.
2	Type of Audit Qualifications:
	Disclaimer of Opinion
3	Frequency of Qualifications:
	Repetitive, 4th year
4	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
5	For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification:
	(ii) If management is unable to estimate the impact, reasons for the same:
	As already stated, various issues (including the loans given by erstwhile management to unrelated companies/ entities inter-corporate deposits and security deposits given) as mentioned in the Resolution Framework have yet not been adjudicated by the Hon'ble Supreme Court. Hence, it is neither possible nor feasible at this stage to undertake any impairment assessment of the loans given by erstwhile management to unrelated companies/ entities inter corporate deposit and security deposits given) till the related issues are crystallized and settled by the Hon'ble Court. Likewise, some of the investments/advances made by the company are a subject matter of investigations being conducted by various Central Investigating Agencies.
	(iii) Auditors' Comments on (i) or (ii) above:
	Can not be quantified as on the date of our report due to details not available
Matter 8	
1	Details of Audit Qualifications:-
	Balance of amounts due to / from trade receivables, trade payables, bank balances, borrowings, advance received from customers, advance to suppliers, security deposits, other loans and advances, advance for purchase of land, inter corporate deposits and other assets are pending for reconciliation / confirmation. The overall impact of the above and the consequential impact of same on standalone financial statements are not ascertainable and hence, we are unable to express an opinion on the same.
2	Type of Audit Qualifications:
	Disclaimer of Opinion
3	Frequency of Qualifications:
	Repetitive, 4th year
4	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
5	For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification:
	(ii) If management is unable to estimate the impact, reasons for the same:



	It is stated that as per Standards on Auditing (SA)-505 prescribed by the Institute of Chartered Accountants of India (ICAI), the process of external confirmation is to be initiated by the Statutory Auditors for directly obtaining the evidence from the confirming parties at their level. However, the Management would initiate and follow-up on this exercise keeping the Statutory Auditors in loop with respect to the outstanding balances as on 31.03.2024. It would therefore be appropriate that the Statutory Auditors take up external confirmations based on random sampling basis since obtaining confirmation from all the parties would be a time consuming exercise.	
	(iii) Auditors' Comments on (i) or (ii) above:	
	Can not be quantified as on the date of our report due to details not available	
Matter 9		
1	Details of Audit Qualifications:-	
	Amount recoverable from GNIDA amounting Rs. 183,39.80 lakhs is subject to confirmation / reconciliation. In view of absence of the reconciliation, we are unable to express an opinion on the consequential impact of same on standalone financial statements.	
2	Type of Audit Qualifications:	Disclaimer of Opinion
3	Frequency of Qualifications:	Repetitive, 9th year
4	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	
5	For Audit Qualification(s) where the impact is not quantified by the auditor:	
	(i) Management's estimation on the impact of audit qualification:	
	(ii) If management is unable to estimate the impact, reasons for the same:	
	It is a statement of fact that the above balance is subject to confirmation/ reconciliation and the matter is pending for adjudication in the Hon'ble Court. Attention in this behalf is invited to the Orders dated 01.02.2023 of the Hon'ble Supreme Court wherein it has been held that the determination of dues of Noida, (including those of GNIDA) would be taken up separately after hearing the Government appointed Board and the Authorities.	
	(iii) Auditors' Comments on (i) or (ii) above:	
	Can not be quantified as on the date of our report due to details not available	
Matter 10		
1	Details of Audit Qualifications:-	
	Variation of Rs. 934.15 lakhs has been observed between balance lying with Supreme Court registry and books of accounts and the same is under reconciliation. In view of absence of the reconciliation, we are unable to express an opinion on the consequential impact of same on standalone financial statements.	
2	Type of Audit Qualifications:	Disclaimer of Opinion
3	Frequency of Qualifications:	Repetitive, 2nd year
4	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	
5	For Audit Qualification(s) where the impact is not quantified by the auditor:	
	(i) Management's estimation on the impact of audit qualification:	
	(ii) If management is unable to estimate the impact, reasons for the same:	
	The variations amounting to Rs 934.15 lakhs were observed between the Balance as per books of Accounts vis-à-vis as per Supreme Court's Registry in Financial Year 2022-23. It has been taken up with the Supreme Court Registry and will be reconciled as soon as the relevant information is received from the Registry.	
	(iii) Auditors' Comments on (i) or (ii) above:	
	Can not be quantified as on the date of our report due to details not available	
Matter 11		
1	Details of Audit Qualifications:-	
	A) Statutory dues related to Income-tax Act, 1962 amounting Rs. 102,46.88 lakhs, Professional Tax amounting Rs. 0.59 Lakhs, Employees Provident Funds and Miscellaneous Provisions Act, 1952 amounting to Rs. 24,42.87 Lakhs pertaining to the period of erstwhile management, are unpaid since long. In view of non-payment of statutory dues, possibility of levies, some penalties by the respective departments cannot be ruled out. On account of the above, we are unable to express an opinion on the consequential impact of same on standalone financial statements.	
	B) In certain cases, we observed that Tax Deducted at Source (TDS) has not been deducted on estimated liability created by the Company based on memorandum statement of accounts received from lenders other than banks. 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.	
	C) Input credit receivable (GST) of Rs. 61,40.53 lakhs is subject to reconciliation with the balance of input credit claimable from GST department (in GST portal). In view of absence of the reconciliation, we are unable to express an opinion on the consequential impact of same on Standalone Financial Statements.	
2	Type of Audit Qualifications:	Disclaimer of Opinion
3	Frequency of Qualifications:	Repetitive, 4th year
4	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	
5	For Audit Qualification(s) where the impact is not quantified by the auditor:	
	(i) Management's estimation on the impact of audit qualification:	
	(ii) If management is unable to estimate the impact, reasons for the same:	
	(A) (a) The Government appointed Board of Directors has already submitted its Resolution Framework (RF) before the Hon'ble Supreme Court on 16.07.2020, followed by updated versions dated 02.05.2021 and 08.08.2022, wherein the Company has sought various reliefs on account of penalties, interest liabilities etc., among others, due to be paid by the company to the Statutory Authorities, Banks, Financial Institutions etc.	
	(A) (b) Since a definitive view on various reliefs sought in the RF is yet to be taken by the Hon'ble Supreme Court, it is not feasible at this stage to assess the overall impact of its outstanding statutory liabilities.	
	(A) (c) The New Management is committed to make the company compliant in terms of various provisions contained in the Companies Act 2013 and other related Acts, Rules, Regulations etc.	



	(B) (a) The Management has taken an independent opinion on Tax Deduction at Source (TDS) on estimated liability created by the Company based on memorandum statement of accounts received from lenders other than banks. The opinion given by the Expert is on the following lines: Query (i) Whether TDS under section 194 A of Income Tax Act, 1961 (TDS deduction on Interest payments to residents), should be deducted or not on interest on Inter Corporate Deposits/ Additional Term Loan facilities availed by Unitech Limited from Financial Institutions/ ARCs which are Non-Performing Assets as declared by Financial Institutions/ ARCs as per the RBI Guidelines. Reply (ii) It is opined that the interest on NPA accounts are not falling in the definition of income and income tax is not payable on such amounts and no constructive credit can be said to be payable to NBFCs and ARCs as the realization of the interest and principal component will depend upon the restructuring or settlement of loan accounts. The company is providing unpaid interest in its books of account to satisfy the requirements of accounting standards as prescribed by the Companies Act, 2013. Thus, TDS under section 194 A of Income Tax Act, 1961, in respect of aforesaid amounts, should not be deducted. (B) (b) However, the Company is providing unpaid interest in its books of accounts in order to remain compliant with the requirements of the Accounting Standards, as prescribed by Companies Act and not deducting TDS on the provision of interest.
	(C) Due to various litigations, notices from GST Department, non-availability of old data/ records and non-compliances during the period of erstwhile management, cancellations and restorations of various GST Numbers and other complex issues, there are serious difficulties in completing the reconciliation process. Despite various challenges, it is planned to complete the Reconciliation Process during FY 2024-25.
	(iii) Auditors' Comments on (i) or (ii) above:
	Can not be quantified as on the date of our report due to details not available
Matter 12	
1	Details of Audit Qualifications:-
	In view of the instances of non compliance with certain debt covenants including interest & principal repayment defaults, we would like to draw attention to the fact that the Company has not obtained the balance confirmations on loans from lenders (including non-convertible debentures) amounting to Rs. 9337,02.50 lakhs (including interest accrued of Rs. 5930,97.85 lakhs). In the absence of adequate and sufficient audit evidence to establish the amounts payable to the lenders, we are unable to express an opinion on the correctness of these amounts reflected in the standalone financial statement and also on their consequential impact including potential tax liabilities.
2	Type of Audit Qualifications:
3	Frequency of Qualifications:
4	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
5	For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification:
	(ii) If management is unable to estimate the impact, reasons for the same:
	The total financial liability of Unitech Group has been captured in Annexure C of the Resolution Framework (RF) submitted before the Hon'ble Supreme Court. A total of 19 lenders, including Banks and ARCs have filed 65 cases in various DRTs, namely, New Delhi (DRT-1), Chandigarh, Chennai, Kolkata, Mumbai, Lucknow and Allahabad. In view of the moratorium granted by the Hon'ble Supreme Court, all these cases have been ordered to be adjourned sine die. Various lenders have also filed IAs in the Hon'ble Supreme Court, which are pending consideration. Since the matter has already been covered in the Resolution Framework, the determination and final payment of principal amount and/ or interest thereon shall be made only in accordance with the decision of the Hon'ble Supreme Court in this behalf. The company is providing for interest payable to Banks/ Financial Institutions based on the loan statements to the extent available and the balances are matching with statements. As far as process of confirmation of balances is concerned, it is stated that as per Standards on Auditing (SA)-505, prescribed by the Institute of Chartered Accountants of India (ICAI), the process of external confirmation is to be initiated by the Statutory Auditors for directly obtaining the evidence from the confirming parties at their level.
	(iii) Auditors' Comments on (i) or (ii) above:
	Can not be quantified as on the date of our report due to details not available
Matter 13	
1	Details of Audit Qualifications:-
	Non-compliance of provisions of Indian Accounting Standards "IND AS" as prescribed under Section 133 of the Companies Act, 2013: - a) Revenue from real estate projects (IND AS 115) The 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 whereas, the terms of the agreements entered by the Company with buyers of the property does not satisfy the conditions specified in paragraph 35 of Indian Accounting Standard 115 "revenue from contracts with customers" in all the cases. b) The Company has accounted for its investment in one of its subsidiary M/s Unitech Power Transmission Limited, as non-current assets held for sale. Cost of investment as on 31st March, 2024 is Rs. 42,26.26 lakhs. Non determination of fair value for asset held on sale, as on the date of reporting, is not in compliance with the provisions of Indian Accounting Standard 105 "Non-Current Assets Held for Sale and Discontinued Operations". Accordingly, we are unable to express an opinion upon the consequential impact, if any, on the carrying value of the asset held for sale and on the reported loss in the standalone financial results.



	<p>c) Inventory and project in progress.</p> <p>1) The management has not conducted any assessment of net realisable value of the inventory amounting Rs. 625,17.96 lakhs which is required as required in paragraph 9 of Indian Accounting Standard 2 "inventories".</p> <p>2) Reconciliation of sub-ledger records for advance received from homebuyers and trade receivables is in progress. In view of absence of the reconciliation, we are unable to express an opinion on the consequential impact of same on Standalone Financial Statements.</p> <p>3) Project wise breakup of expenditure incurred on project covered under "project in progress on which revenue is not recognized" not made available to us. Hence, we are unable to comment upon the accuracy of the amount disclosed thereunder.</p> <p>4) We draw attention to note no. 16 of the Standalone Financial Statements 'Other Current Assets' which include 'Amount Recoverable from Project in Progress (on which revenue is Recognized)' wherein no underlying documents for Rs. 107,08.78 lakhs, recognised as profit on sold property by erstwhile management is available for verification. In absence of the same, we are unable to comment on the correctness of the profit recognised on sold property. In absence thereof, we are unable to express an opinion upon the discrepancies if any and its consequential impact thereof.</p>
2	Type of Audit Qualifications: Disclaimer of Opinion
3	Frequency of Qualifications: Repetitive, 4th year
4	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: }
5	For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification:
	(ii) If management is unable to estimate the impact, reasons for the same:
	(A). (a) The Company recognizes revenue over time if one of the following criteria of Paragraph 35 of Ind AS 115 is met, particularly 35 (c), 36 and 37, as given below: (i) Paragraph 35(c): the entity's performance does not create an asset with an alternative use to the entity (paragraph 36) and the entity has an enforceable right to payment for performance completed to date (paragraph 37). (ii) Paragraph 36: An asset created by an entity's performance does not have an alternative use to an entity if the entity is either restricted contractually from readily directing the asset for another use during the creation or enhancement of that asset or limited practically from readily directing the asset in its completed state for another use. The assessment of whether an asset has an alternative use to the entity is made at contract inception. After contract inception, an entity shall not update the assessment of the alternative use of an asset unless the parties to the contract the contract approve a contract modification that substantively changes the performance obligation. (iii) Paragraph 37: - An entity shall consider the terms of the contract, as well as any laws that apply to the contract, when evaluating whether it has an enforceable right to payment for performance completed to date in accordance with paragraph 35(c). The right to payment for performance completed to date does not need to be for a fixed amount. However, at all times throughout the duration of the contract, the entity must be entitled to an amount that at least compensates the entity for performance completed to date if the contract is terminated by the customer or another party for reasons other than the entity's failure to perform as promised.
	(A) (b) Following points are also considered by the company at the time of Revenue Recognition of revenue under POCM: (i) The company has an enforceable right to claim the payment from Customer for performance completed which has been agreed by customers in the Agreements to Sell (Builders-Buyer Agreements). (ii) The Company cannot change or substitute the residential/ commercial unit specified in the Builder-Buyer Agreement ("The contract") entered with the customer, and thus the customer could enforce his/her rights to the residential/ commercial unit if the Company sought to direct the asset for another use. In the opinion of the Management of the Company, the contractual restriction is substantive, and the real estate unit does not have an alternative use to the Company. (iii) Further, the Company has the right to claim the installments of the Residential/ Commercial properties from the buyers based on the milestones given in Builder Buyers Agreement and in case of defaults by the customers, said unit is not freely transferrable to another customer. The unit is not available for alternate use of the Company until cancelled. (iv) In certain cases, buyers of the property have availed bank finance against the property purchased by them and the Company has entered into the "Tripartite Agreement". Under this arrangement, the Company has given all original documents to the Bank. It indicates that the Company is not having any alternate use of the property sold to the buyer and the buyers have full right over the property purchased from the Company till the time, the buyers commit any breach towards the bank and /or does not repay its dues to the Bank in full or in part and/or the buyers commit breach of agreement with the Company.
	(A) (c) Customer i.e. buyer of the unit is the beneficial owner of the unit purchased from the Company and is entitled to avail the loan from Banks. In the event of defaults by Customer in repayment of any installment, the Company has the right to cancel the allotment and forfeit the entire amount of Earnest Money deposited by the Allottees and the allottee shall be left with no right or lien on said property and the developer i.e. Company shall be free to sell the same to any other person in its sole discretion as it may deem fit. In the opinion of the Company, customer i.e. buyer of the unit is the beneficial owner of the unit purchased till the time of cancellation of the allotment of the unit on account of defaults in repayment schedule of the installments agreed in Builder Buyer's agreement. (A) (d) Further, we would like to submit that majority of the projects are brown-field projects at different stages of construction.
	(A) (e) We have relied on the clarification issued by ICAI on 20th July 2018 w.r.t. Revenue from Contracts in context of Real Estate Sector wherein it was clarified that Ind AS 115 does allow recognition of revenue using Percentage of Completion Method (POCM). (A) (f) Prior to FY 2020-21, there was no qualification on revenue recognition under POCM by the earlier statutory auditor. Further, the company has sought an opinion from Expert Advisory Committee of ICAI. (B) Although, a fair valuation report as per provisions under section 56 of Income Tax Act, 1961, read with Rule 11UA of Income Tax rules, 1962, was obtained from a Registered Merchant Banker, the statutory auditors have asked for getting the fair valuation report from an IBBI registered Valuer as required under the provisions of Indian Accounting Standard 105 - "Non-current Assets held for sale and discontinued operations". It is submitted that fair valuation has not been got done from IBBI Registered Valuer so far. It is proposed to get the same done now before the process of disinvestment is completed.



	(C) (1) The exercise is planned to be completed during the FY 2024-25.
	(C) (2) The Commercial Division has complete data available on the amount received from the customers and the balance receivables from them in respect of each of the units sold. As a matter of fact, the customers are also being allowed access to their individual Accounts Ledgers in a phased manner as the management raises demands for balance payments on an ongoing basis as per the Revised Payment Plan approved by the Hon'ble supreme Court. Reconciliation of the same with the data available with the Finance & Accounts Division is planned to be completed during FY 2024-25 itself.
	(C) (3) The details to the extent available have been shared with Statutory Auditors. Further, project wise breakup will be worked out in FY 24-25 to the extent feasible.
	(C) (4) This figure represents the Estimated Profit Recognized (share of Unitech Limited) in JV Projects comprising of Sohna Road Project, Executive Floors, Independent House, Executive Floor (Maruti), Independent Floor, Singleton Floor, Shopping Arcade and Nirvana Country. After receiving the Completion Certificate from DTCP of Haryana Government, the project will be treated as Completed and actual Profit/ Loss Account will be prepared for final closing.
	(iii) Auditors' Comments on (i) or (ii) above:
	Can not be quantified as on the date of our report due to details not available
Matter 14	
1	Details of Audit Qualifications:-
	The Company is failed in repayment of public deposits accepted by erstwhile management. As per the financial books, principal amount of deposit accepted for Rs. 534,87.75 lakhs is overdue for repayment. The Company has not created any provision for interest payable during the financial year amounting Rs. 65,26.69 lakhs (accumulated unaccounted interest is Rs. 483,22.14 lakhs). In our opinion, losses of the Company and value of public deposits are understated to extent of Rs. 483,22.14 lakhs
2	Type of Audit Qualifications: Disclaimer of Opinion
3	Frequency of Qualifications: Repetitive, 4th year
4	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
5	For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification:
	(ii) If management is unable to estimate the impact, reasons for the same:
	(i) This issue has duly been explained in Chapter 8 of the Resolution Framework (RF) submitted to the Hon'ble Supreme Court and the Company shall take action as per the directions of the Hon'ble Court in this behalf. The New Management neither processes any such case nor is it authorized to do so till the Hon'ble Supreme Court takes a decision in this matter. (ii) It is, however, clarified that disbursement to some fixed deposit holders (Sr. Citizens on a pro-rata basis) has been made through the Ld. Amicus Curie on the directions of the Hon'ble Supreme Court issued from time to time in the past. The details of amount disbursed to the FD holders directly from the Registry have been received in the Company on 22.11.2022 and the amount of disbursal is being captured in the books of accounts and reconciled. (iii) Further refund of another amount of Rs. 13.19 Crore has been approved by the Hon'ble Supreme Court vide its Orders dated 01.02.2023 for refund of principal amount of FDs to depositors on grounds of Medical Exigencies. As on 31.03.2024, the Company has already released an amount of Rs. 12.94 Crore to 506 out of 548 FD holders. The remaining cases are pending for want of receipt of requisite papers from the concerned Depositors.
	(iii) Auditors' Comments on (i) or (ii) above:
	Can not be quantified as on the date of our report due to details not available
Matter 15	
1	Details of Audit Qualifications:-
	the Company has conducted physical verification of its property plant and equipment and the reconciliation of the same with books of accounts is in progress. In absence of the reconciliation, we are unable to comment upon the discrepancy between book record and physical counts, if any and its consequential impact of the financial results.
2	Type of Audit Qualifications: Disclaimer of Opinion
3	Frequency of Qualifications: Repetitive, 4th year
4	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
5	For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification:
	(ii) If management is unable to estimate the impact, reasons for the same:
	The Company has initiated a series of steps for getting the physical verification, for the year ending 31st March 2024, done through the Company's existing staff. Although a substantial portion of physical verification has been covered, the reconciliation part, however, remains pending, which is likely to be completed in the next about 6 months' time. It is submitted that after the conclusion of the physical verification for the year ended 31.03.2024, the physical verification on year-end basis in future would be conducted regularly to have proper control and to address the observations of the Statutory Auditors.
	(iii) Auditors' Comments on (i) or (ii) above:
	Can not be quantified as on the date of our report due to details not available
Matter 16	
1	Details of Audit Qualifications:-
	Company has not appointed an internal auditor since financial year 2020-21 till date which is in contravention of the provisions of section 138 of the Companies Act, 2013.
2	Type of Audit Qualifications: Disclaimer of Opinion
3	Frequency of Qualifications: Repetitive, 4th year
4	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
5	For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification:
	(ii) If management is unable to estimate the impact, reasons for the same:
	An agenda item pertaining to the appointment of internal auditors of M/s Unitech limited is being placed in the ensuing meeting of the ARMC & Board of directors scheduled to be held on 28th May 2024. Once the agenda is approved by Board, the said appointment will be made and necessary fillings will be carried out with the ROC, NCT of Delhi & Haryana.



	(iii) Auditors' Comments on (i) or (ii) above:
	Can not be quantified as on the date of our report due to details not available
Matter 17	
1	Details of Audit Qualifications:-
	the Company has 2,456 litigation pending in Hon'ble Supreme Court of India. Based on the explanation provided by the Company, considering the number of litigations pending, it is not possible for the Company to compute the possible impact of the same. In view of above, we are unable to express an opinion on the accounting of potential liability on account of pending case and completeness of disclosure of contingent liability made by the company in the standalone financial statements.
2	Type of Audit Qualifications: Disclaimer of Opinion
3	Frequency of Qualifications: Repetitive, 4th year
4	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
5	For Audit Qualification(s) where the impact is not quantified by the auditor: }
	(i) Management's estimation on the impact of audit qualification:
	(ii) If management is unable to estimate the impact, reasons for the same:
	The financial impact of litigations can be ascertained once the final verdict is pronounced by the Hon'ble Supreme Court on all the litigations.
	(iii) Auditors' Comments on (i) or (ii) above:
	Can not be quantified as on the date of our report due to details not available

For GSA & Associates LLP
Chartered Accountants

For and on behalf of the Board of Directors



CA Anshu Gupta
Partner
Membership No. 077891

Yudhvir Singh Malik
Yudhvir Singh Malik
Chairman & Managing Director
DIN : 00000555

Jitendra Mohandas Virwani
Jitendra Mohandas Virwani
Director
DIN : 00027674

A. K. Yadav
A. K. Yadav
Chief Executive Officer

Prabhakar Singh
Prabhakar Singh
Director
DIN : 08696229

Tajinder Pal Singh Madan
Tajinder Pal Singh Madan
Chief Financial Officer

Girish Kumar Ahuja
Girish Kumar Ahuja
Director
DIN : 00446339

Uma Shankar
Uma Shankar
Director
DIN : 07165728

Anuradha Mishra
Anuradha Mishra
Company Secretary

Place: Gurugram
Date: 28.05.2024

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Consolidated Financial Results

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2024

[See Regulation 33 of the SEBI (LODR) Regulations, 2015]

Sr. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
		Rs. in Lakh	Rs. in Lakh
1	Turnover / Total income	51,542.57	51,542.57
2	Total Expenditure	433,835.24	433,835.24
3	Exceptional items	-	-
4	Total tax expenses	(1,563.67)	(1,563.67)
5	Net Profit/(Loss)	(380,729.00)	(380,729.00)
6	Earnings Per Share		
	Basic	(12.72)	(12.72)
	Diluted	(12.72)	(12.72)
7	Total Assets	2,652,015.32	2,652,015.32
8	Total Liabilities	3,148,095.07	3,148,095.07
9	Net Worth	(496,079.75)	(496,079.75)
10	Any other financial item(s) (as felt appropriate by the management)		

Audit Qualification:-

Matter 1

1	Details of Audit Qualifications:-	
	<p>We did not audit the financial results of 218 subsidiaries (including foreign subsidiaries) included in the audited Consolidated Financial Results, whose unaudited financial results reflects total assets of Rs. 26520,15.32 Lakhs (63.16% of consolidates assets), total revenue of Rs. 322,85.46 lakhs (37.36 % of consolidates revenue), net loss after tax of Rs. 1244,47.08 Lakhs (67.31% of consolidates loss after tax) and total comprehensive loss of Rs. 1244,66.54 Lakhs (67.31 % of consolidates total comprehensive loss) for the year ended 31st March, 2024. For the purpose of consolidation, management has considered unaudited accounts available with them for these subsidiaries. In case of 32 foreign subsidiaries, the management has incorporated the last available financial information.</p> <p>B) No details are available with the Holding Company for 17 joint ventures and 4 associates for year ended 31st March 2024 and accordingly the same have not been considered for consolidation. In accordance with the provisions of Indian Accounting Standard 110 Consolidated Financial Results s, the same are required to be consolidated in the financial results.</p> <p>C) Pursuant to regulation 33(3)(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 and two audited subsidiary company consist of 37.36% of the consolidated revenue, 64.50% of the consolidated assets and 67.31% of the consolidated loss that have been audited by auditors of holding company. Accordingly, the holding company is in noncompliance of the requirements of Listing Obligations and Disclosure Requirements of Securities and Exchange Board of India.</p> <p>In view of the above, we are unable to express an opinion on this matter.</p>	
2	Type of Audit Qualifications:	Disclaimer of Opinion
3	Frequency of Qualifications:	Repetitive, 4th year
4	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views	
5	For Audit Qualification(s) where the impact is not quantified by the auditor:	
	(i) Management's estimation on the impact of audit qualification:	
	(ii) If management is unable to estimate the impact, reasons for the same:	
	<p>Unitech Limited has 186 Indian subsidiary companies out of which 08 subsidiary Companies stood struck off by the Registrar of Companies, NCT Delhi and Haryana at the time when the new management joined. The Company has moved the National Company Law Tribunal (NCLT) for the revival of the said struck off subsidiaries, out of which 07 subsidiary companies have already been ordered for revival.</p> <p>The progress in audit of accounts of these 186 subsidiaries is as under:</p> <p>(a) Statutory Auditors appointed in respect of 156 Indian subsidiary companies so far;</p> <p>(b) Appointment of Statutory auditors under progress in case of 9 subsidiaries;</p> <p>(c) For the remaining 13 Subsidiaries, wherein there is a substantial foreign investment, necessary steps are being taken by the Company in this regard.</p>	



As regards 32 foreign subsidiaries along with Libya Division and 03 foreign JVs, the management has listed down their available details. These are as under:
 Audited Balance Sheets of 04 foreign subsidiaries, 02 foreign JVs, and that of Libya Division are not available with the Company. For rest of the Companies, the last audited available Balance Sheets are those of 31.03.2017 except for two Companies whose available Balance Sheets are those of 31.03.2010 and 31.03.2016. Moreover, it is pertinent to mention that, as per information available to the new management, the Central Investigating Agencies are believed to be engaged with the issues pertaining to these entities. In the FY 2024-25, the Management has plans to complete the statutory audit of all the subsidiaries to make compliance of the regulations 33(h) of Listing Obligations and Disclosure Requirements of SEBI.

(iii) Auditors' Comments on (i) or (ii) above:

Can not be quantified as on the date of our report due to details not available

Matter 2

1 Details of Audit Qualifications:-

We draw attention to Consolidated Financial Statements, which have made references to the Resolution Framework (RF) for Unitech group. The company has requested the Hon'ble Supreme Court to grant some concessions and reliefs so that the company is able to fulfil its obligations towards the construction of the projects and meet other liabilities. Since the RF has not yet been approved by the Hon'ble Supreme Court, the impact of the proposed reliefs, concessions etc. have not been considered in the books of accounts.

2 Type of Audit Qualifications: Disclaimer of Opinion

3 Frequency of Qualifications: Repetitive, 4th year

4 For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views

5 For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) Management's estimation on the impact of audit qualification:

(ii) If management is unable to estimate the impact, reasons for the same:

The points mentioned herein are informatory in nature and the Management has no further comments to offer on the same

(iii) Auditors' Comments on (i) or (ii) above:

Can not be quantified as on the date of our report due to details not available

Matter 3

1 Details of Audit Qualifications:-

Material uncertainty related to going concern

The management has represented that the Consolidated Financial Results have been prepared on a going concern basis, notwithstanding the fact that the Holding Company has eroded its net worth and has incurred losses, both in the current and previous year, and has challenges in meeting its 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 further, various projects of the Holding Company have stalled/ slowed down.

In compliance of the directions of the Hon'ble Supreme Court, as contained in court's order dated 20th January 2020, the appointed Board of Directors has requested the ho'nble Supreme Court to grant certain concessions and reliefs so that the Holding Company is able to fulfill its obligations towards the construction and completion of in-complete projects and meet other liabilities.

These conditions indicate the existence of material uncertainty that may cast significant doubt about Company's ability to continue as a going concern. The appropriateness of assumption of going concern is critically dependent upon the 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.

Considering the above, we are unable to express an opinion on this matter.

2 Type of Audit Qualifications: Disclaimer of Opinion

3 Frequency of Qualifications: Repetitive, 4th year

4 For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views

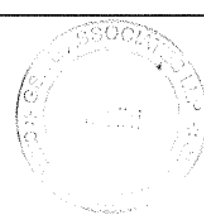
5 For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) Management's estimation on the impact of audit qualification:

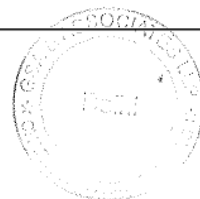
(ii) If management is unable to estimate the impact, reasons for the same:

The Management has already stated its position in the Resolution Framework submitted in the Hon'ble Supreme Court on 15.07.2020, followed by updated versions submitted on 05.02.2021 and on 08.08.2022, wherein the Hon'ble Supreme Court has been prayed to grant certain concessions and reliefs so that the Company is able to fulfill its obligations towards the construction and completion of projects and meet other liabilities.

The reasons for opting against winding up the Company or its reference under IBC have fully been explained in the application filed for submission of the Resolution Framework. The Management is hopeful that as per mandate given by Hon'ble Supreme Court, the company would be able to generate sufficient funds to complete the projects as per timelines notified in the award of contracts and, accordingly, no material uncertainty exists in the Company continuing as a going concern. As such, expressing doubts about the Company as an ongoing concern is rather pre-mature at this stage.



	(iii) Auditors' Comments on (i) or (ii) above:	
	Can not be quantified as on the date of our report due to details not available	
Matter 4		
1	<u>Details of Audit Qualifications:-</u>	
	The Management of the Company has not conducted any impairment assessment for the investments made by the erstwhile management in joint venture and associates having aggregate carrying value of Rs. 458,75.35 lakhs, despite of strong indicators existing for impairment assessment, as required by Ind AS 36, 'Impairment of Assets'. In view of non-existence of any impairment study, we are unable to conclude upon the adjustments, if any, that may be required to the carrying value of these investments and its consequential impact on the Unaudited Consolidated Financial Results.	
2	Type of Audit Qualifications:	Disclaimer of Opinion
3	Frequency of Qualifications:	Repetitive, 4th year
4	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views	
5	For Audit Qualification(s) where the impact is not quantified by the auditor:	
	(i) Management's estimation on the impact of audit qualification:	
	(ii) If management is unable to estimate the impact, reasons for the same:	
	<p>Unitech Limited has 186 Indian subsidiary companies out of which 08 subsidiary Companies stood struck off by the Registrar of Companies, NCT Delhi and Haryana at the time when the new management joined. The Company has moved the National Company Law Tribunal (NCLT) for the revival of the said struck off subsidiaries, out of which 07 subsidiary companies have already been ordered for revival.</p> <p>The progress in audit of accounts of these 186 subsidiaries is as under:</p> <p>(a) Statutory Auditors appointed in respect of 156 Indian subsidiary companies so far;</p> <p>(b) Appointment of Statutory auditors under progress in case of 9 subsidiaries;</p> <p>(c) For the remaining 13 Subsidiaries, wherein there is a substantial foreign investment, necessary steps are being taken by the Company in this regard.</p> <p>As regards 32 foreign subsidiaries along with Libya Division and 03 foreign JVs, the management has listed down their available details. These are as under:</p> <p>(a) Audited Balance Sheets of 04 foreign subsidiaries, 02 foreign JVs, and that of Libya Division are not available with the Company.</p> <p>(b) For rest of the Companies, the last audited available Balance Sheets are those of 31.03.2017 except for two Companies whose available Balance Sheets are those of 31.03.2010 and 31.03.2016. Moreover, it is pertinent to mention that, as per information available to the new management, the Central Investigating Agencies are believed to be engaged with the issues pertaining to these entities.</p>	
	<p>The matter regarding investment in Carnoustie Management Pvt Ltd (CMPL) and CIG is under investigations by the Investigating Agencies and the Enforcement Directorate (ED) has issued various attachment orders. The Management has included the transactions with CMPL and CIG as avoidable in the Resolution Framework submitted before the Hon'ble Supreme Court. It is pertinent to mention here that Unitech Limited has also filed an IA in the Hon'ble Supreme Court for the recovery of the investments made in CMPL, which has been heard but the order is awaited.</p> <p>However, keeping in view the investigations being carried out by the ED, approval of the Provisional Attachment Orders (PAOs) by the Adjudicating Authority and the ED having filed Prosecution Complaints before the Special Court under the PMLA, the Company is left with no option but to await the final outcome in these matters.</p> <p>In view of the position explained above, it is neither possible nor feasible at this stage to undertake any impairment assessment. The impairment assessment can be got conducted by the company through some expert in accordance with applicable Accounting Standards (Ind As 36), only after having in possession the complete details / documents / reports etc.</p>	
	(iii) Auditors' Comments on (i) or (ii) above:	
	Can not be quantified as on the date of our report due to details not available	
Matter 5		
1	<u>Details of Audit Qualifications:-</u>	
	<p>We have not been provided with sufficient evidence about the recognition of fair value of the estimated loss allowance on loans given by erstwhile management to joint ventures and associates amounting to Rs. 83,81.00 lakhs and trade receivables from joint ventures and associates amounting to Rs. 18,68.59 lakhs as required by Ind AS 109, 'Financial Instruments'.</p> <p>We are therefore unable to express an opinion on the recoverability of the loans and trade receivables from subsidiary, joint ventures and associates, fair value of estimated loss allowance on loans, trade receivables and the consequential impact on the Consolidated Financial Results.</p>	
2	Type of Audit Qualifications:	Disclaimer of Opinion
3	Frequency of Qualifications:	Repetitive, 4th year
4	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views	
5	For Audit Qualification(s) where the impact is not quantified by the auditor:	
	(i) Management's estimation on the impact of audit qualification:	
	(ii) If management is unable to estimate the impact, reasons for the same:	



All available information /details/ documents in possession of the company stand provided to the Statutory Auditors. However, the fair estimation w.r.t. the recognition of fair value of the estimated loss allowance on loans given by the erstwhile management to subsidiary companies, joint ventures and associates and trade receivables from subsidiary companies, joint ventures and associates, is not feasible as of now, because of the ongoing investigations by the ED, and the ED having filed charge-sheets before the Adjudicating Authority under PMLA and the matter being sub-judice. This job will be completed by engagement of experts only after the final verdicts are available by the Hon'ble Court(s).

(iii) Auditors' Comments on (i) or (ii) above:
Can not be quantified as on the date of our report due to details not available

Matter 6

1 Details of Audit Qualifications:-
We draw attention to the details of corporate and bank guarantees issued by the erstwhile management for its joint ventures. We have not been provided sufficient evidence regarding recognition of fair value of the estimated loss allowance on corporate guarantee given by erstwhile management on behalf of its subsidiary, joint ventures and associates amounting unable to express an opinion on the fair value of estimated loss allowance on corporate and bank guarantee.

2 Type of Audit Qualifications: Disclaimer of Opinion
3 Frequency of Qualifications: Repetitive, 4th year

4 For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
5 For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) Management's estimation on the impact of audit qualification:
(ii) If management is unable to estimate the impact, reasons for the same:

There are a number of secured, unsecured and operational creditors qua the company and its subsidiaries, JVs and other affiliates. Further, the Company and promoters have also given various kinds of Guarantees, including Bank Guarantees and Corporate Guarantees, the lists whereof (to the extent of availability of records), surviving or matured, have been shared with Statutory Auditors. However, it may not be possible to vouchsafe at this stage that these are the only Guarantees given by the Company. The issues pertaining to secured, unsecured and operational creditors have been covered in Chapter -3 of the Resolution Framework (RF). Apart from seeking various reliefs and concessions qua such creditors, the RF also contains a provision on invitation of Claims and settlement thereof (3.2). These issues have yet not been adjudicated by the Hon'ble Supreme Court. Hence, it is neither possible nor feasible at this stage to undertake any impairment assessment of secured creditors, and/or Corporate Guarantees till these related issues are crystallized and settled by the Hon'ble Supreme Court. Likewise, some of the investments/ advances made by the company are a subject matter of investigations being conducted by various Central Investigating Agencies.

(iii) Auditors' Comments on (i) or (ii) above:
Can not be quantified as on the date of our report due to details not available

Matter 7

1 Details of Audit Qualifications:-
(vii) The Management of the Company has not conducted any impairment assessment for the investments made and advances given for purchase of land by the erstwhile management in unrelated companies / entities having aggregate carrying value of Rs. 1580,62.28 lakhs and Rs. 785,46.62 lakhs respectively, despite of strong indicators existing for impairment assessment, as required by Ind AS 36, 'Impairment of Assets'. In view of non-existence of any impairment study, we are unable to conclude upon the adjustments, if any, that may be required to the carrying value of these investments and its consequential impact on the Unaudited Consolidated Financial Results.

2 Type of Audit Qualifications: Disclaimer of Opinion
3 Frequency of Qualifications: Repetitive, 4th year

4 For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
5 For Audit Qualification(s) where the impact is not quantified by the auditor:

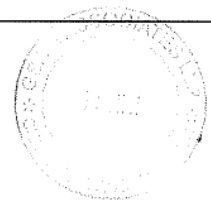
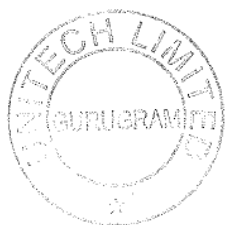
(i) Management's estimation on the impact of audit qualification:
(ii) If management is unable to estimate the impact, reasons for the same:

As already stated, various issues (including the investments made and advances given for purchase of land by the erstwhile management in unrelated companies/ entities) as mentioned in Resolution Framework have yet not been adjudicated by the Hon'ble Supreme Court. Hence, it is neither possible nor feasible at this stage to undertake any impairment assessment of investments made and advances given for purchase of land by the erstwhile management till these related issues are crystallized and settled by the Hon'ble Supreme Court. Likewise, some of the investments/ advances made by the company are a subject matter of investigations being conducted by various Central Investigating Agencies.

(iii) Auditors' Comments on (i) or (ii) above:
Can not be quantified as on the date of our report due to details not available

Matter 8

1 Details of Audit Qualifications:-



	We have not been provided with sufficient evidence about the recognition of fair value of the estimated loss allowance on loans given by erstwhile management to unrelated companies / entities amounting to Rs. 76,30.73 lakhs, trade receivables amounting Rs 662,95.32 lakhs, inter corporate deposit amounting to Rs. 247,98.45 lakhs and security deposits given amounting Rs. 206,92.64 lakhs, as required by Ind AS 109, 'Financial Instruments'. We are therefore unable to comment on the recoverability of the loans given, trade receivables and security deposits given from unrelated companies / entities, fair value of estimated loss allowance on loans given, trade receivables and security deposits given, and the consequential impact on the Consolidated financial results.	
2	Type of Audit Qualifications:	Disclaimer of Opinion
3	Frequency of Qualifications:	Repetitive, 4th year
4	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	
5	For Audit Qualification(s) where the impact is not quantified by the auditor:	
	(i) Management's estimation on the impact of audit qualification:	
	(ii) If management is unable to estimate the impact, reasons for the same: }	
	As already stated, various issues (including the loans given by erstwhile management to unrelated companies/ entities inter-corporate deposits and security deposits given) as mentioned in the Resolution Framework have yet not been adjudicated by the Hon'ble Supreme Court. Hence, it is neither possible nor feasible at this stage to undertake any impairment assessment of the loans given by erstwhile management to unrelated companies/ entities inter corporate deposit and security deposits given) till the related issues are crystallized and settled by the Hon'ble Court. Likewise, some of the investments/advances made by the company are a subject matter of investigations being conducted by various Central Investigating Agencies.	
	(iii) Auditors' Comments on (i) or (ii) above:	
	Can not be quantified as on the date of our report due to details not available	
Matter 9		
1	<u>Details of Audit Qualifications:-</u>	
	The group has goodwill amounting to Rs. 383,80.79 Lakhs appearing in the consolidated financial results as on 31st March, 2024 on account of acquisition of subsidiary companies.	
	The management has not conducted any impairment assessment for said goodwill which is required pursuant to the provisions of Indian Accounting Standard 36 – "Impairment of Assets". In absence thereof, we are unable to comment upon the appropriateness of the carrying value of goodwill and its consequential impact on the audited Consolidated Financial Results.	
	Further, non controlling interest includes gain of Rs. 114,70.61 lakhs for which no underlying documents were made available to us. It was explained to us that this was pertaining to the period of erstwhile management. In absence of proper explanation and underlying documents, we are unable to comment upon the correctness of non controlling interest and aggregate losses of the group.	
2	Type of Audit Qualifications:	Disclaimer of Opinion
3	Frequency of Qualifications:	Repetitive, 4th year
4	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	
5	For Audit Qualification(s) where the impact is not quantified by the auditor:	
	(i) Management's estimation on the impact of audit qualification:	
	(ii) If management is unable to estimate the impact, reasons for the same:	
	The company is in the process of conducting impairment study of this "Goodwill" which has emerged over the years on account of acquisition of companies. The management had initiated the Impairment Process and, accordingly, impaired "Goodwill" to the tune of Rs. 1,878.75 lakhs during the F.Y. 2020-21.	
	(iii) Auditors' Comments on (i) or (ii) above:	
	Can not be quantified as on the date of our report due to details not available	
Matter 10		
1	<u>Details of Audit Qualifications:-</u>	
	Balance of amounts due to / from trade receivables, trade payables, bank balances, borrowings, advance received from customers, advance to suppliers, security deposits, other loans and advances, advance for purchase of land, inter corporate deposits and other assets are pending for reconciliation / confirmation. The overall impact of the above and the consequential impact of same on Consolidated financial results are not ascertainable and can not be concluded upon.	
2	Type of Audit Qualifications:	Disclaimer of Opinion
3	Frequency of Qualifications:	Repetitive, 4th year
4	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	
5	For Audit Qualification(s) where the impact is not quantified by the auditor:	
	(i) Management's estimation on the impact of audit qualification:	
	(ii) If management is unable to estimate the impact, reasons for the same:	



	It is stated that as per Standards on Auditing (SA)-505 prescribed by the Institute of Chartered Accountants of India (ICAI), the process of external confirmation is to be initiated by the Statutory Auditors for directly obtaining the evidence from the confirming parties at their level. However, the Management would initiate and follow-up on this exercise keeping the Statutory Auditors in loop with respect to the outstanding balances as on 31.03.2024. It would therefore be appropriate that the Statutory Auditors take up external confirmations based on random sampling basis since obtaining confirmation from all the parties would be a time consuming exercise.
	(iii) Auditors' Comments on (i) or (ii) above:
	Can not be quantified as on the date of our report due to details not available

Matter 11

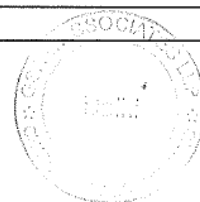
1	<u>Details of Audit Qualifications:-</u>	
	Amount recoverable from GNIDA amounting Rs.1,83,39.80 lakhs is subject to confirmation / reconciliation. In view of absence of the reconciliation, we are unable to conclude on the consequential impact of same on Consolidated financial results }	
2	Type of Audit Qualifications:	Disclaimer of Opinion
3	Frequency of Qualifications:	Repetitive, 9th year
4	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	
5	For Audit Qualification(s) where the impact is not quantified by the auditor:	
	(i) Management's estimation on the impact of audit qualification:	
	(ii) If management is unable to estimate the impact, reasons for the same:	
	It is a statement of fact that the above balance is subject to confirmation/ reconciliation and the matter is pending for adjudication in the Hon'ble Court. Attention in this behalf is invited to the Orders dated 01.02.2023 of the Hon'ble Supreme Court wherein it has been held that the determination of dues of Noida, (including those of GNIDA) would be taken up separately after hearing the Government appointed Board and the Authorities.	
	(iii) Auditors' Comments on (i) or (ii) above:	
	Can not be quantified as on the date of our report due to details not available	

Matter 12

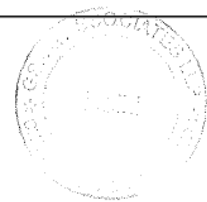
1	<u>Details of Audit Qualifications:-</u>	
	Variation of Rs. 934.15 lakhs has been observed between balance lying with Supreme Court registry and books of accounts and the same is under reconciliation. In view of absence of the reconciliation, we are unable to conclude on the consequential impact of same on Consolidated financial results.	
2	Type of Audit Qualifications:	Disclaimer of Opinion
3	Frequency of Qualifications:	Repetitive, 2nd year
4	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	
5	For Audit Qualification(s) where the impact is not quantified by the auditor:	
	(i) Management's estimation on the impact of audit qualification:	
	(ii) If management is unable to estimate the impact, reasons for the same:	
	The variations amounting to Rs 934.15 lakhs were observed between the Balance as per books of Accounts vis-à-vis as per Supreme Court's Registry in Financial Year 2022-23. It has been taken up with the Supreme Court Registry and will be reconciled as soon as the relevant information is received from the Registry.	
	(iii) Auditors' Comments on (i) or (ii) above:	
	Can not be quantified as on the date of our report due to details not available	

Matter 13

1	<u>Details of Audit Qualifications:-</u>	
	<p>A) Statutory dues, in the books of holding company, related to Income-tax Act, 1962 amounting Rs. 102,46.88 lakhs, Professional Tax amounting Rs. 0.59 Lakhs, Employees Provident Funds and Miscellaneous Provisions Act, 1952 amounting to Rs. 24,42.87 lakhs pertaining to the period of erstwhile management, are unpaid since long. In view of non-payment of statutory dues, possibility of levies, some penalties by the respective departments cannot be ruled out. On account of the above, we are unable to conclude on the consequential impact of same on Consolidated financial results.</p> <p>B) In certain cases, we observed that Tax Deducted at Source (TDS) has not been deducted on estimated liability created by the Holding Company based on memorandum statement of accounts received from lenders other than banks. 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.</p> <p>C) Input credit receivable (GST), in the books of holding company, of Rs. 6,140.53 lakhs is subject to reconciliation with the balance of input credit claimable from GST department (in GST portal). In view of absence of the reconciliation, we are unable to conclude on the consequential impact of same on Consolidated financial results.</p>	
2	Type of Audit Qualifications:	Disclaimer of Opinion



3	Frequency of Qualifications:	Repetitive, 4th year
4	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	
5	For Audit Qualification(s) where the impact is not quantified by the auditor:	
	(i) Management's estimation on the impact of audit qualification:	
	(ii) If management is unable to estimate the impact, reasons for the same:	
	<p>(A) (a) The Government appointed Board of Directors has already submitted its Resolution Framework (RF) before the Hon'ble Supreme Court on 16.07.2020, followed by updated versions dated 02.05.2021 and 08.08.2022, wherein the Company has sought various reliefs on account of penalties, interest liabilities etc., among others, due to be paid by the company to the Statutory Authorities, Banks, Financial Institutions etc.</p> <p>(b) Since a definitive view on various reliefs sought in the RF is yet to be taken by the Hon'ble Supreme Court, it is not feasible at this stage to assess the overall impact of its outstanding statutory liabilities.</p> <p>(c) The New Management is committed to make the company compliant in terms of various provisions contained in the Companies Act 2013 and other related Acts, Rules, Regulations etc.</p>	
	<p>(B) The Management has taken an independent opinion on Tax Deduction at Source (TDS) on estimated liability created by the Company based on memorandum statement of accounts received from lenders other than banks. The opinion given by the Expert is on the following lines:</p> <p>Query</p> <p>(i) Whether TDS under section 194 A of Income Tax Act, 1961 (TDS deduction on Interest payments to residents), should be deducted or not on interest on Inter Corporate Deposits/ Additional Term Loan facilities availed by Unitech Limited from Financial Institutions/ ARCs which are Non-Performing Assets as declared by Financial Institutions/ ARCs as per the RBI Guidelines.</p> <p>Reply</p> <p>(ii) It is opined that the interest on NPA accounts are not falling in the definition of income and income tax is not payable on such amounts and no constructive credit can be said to be payable to NBFCs and ARCs as the realization of the interest and principal component will depend upon the restructuring or settlement of loan accounts. The company is providing unpaid interest in its books of account to satisfy the requirements of accounting standards as prescribed by Companies Act, 2013. Thus, TDS under section 194 A of Income Tax Act, 1961, in respect of aforesaid amounts, should not be deducted. However, the Company is providing unpaid interest in its books of accounts in order to remain compliant with requirements of the Accounting Standards, as prescribed by Companies Act and not deducting TDS on the provision of interest.</p>	
	<p>(C) Due to various litigations, notices from GST Department, non-availability of old data/ records and non-compliances during the period of erstwhile management, cancellations and restorations of various GST Numbers and other complex issues, there are serious difficulties in completing the reconciliation process. Despite various challenges, it is planned to complete the Reconciliation Process during FY 2024-25.</p>	
	(iii) Auditors' Comments on (i) or (ii) above:	
	Can not be quantified as on the date of our report due to details not available	
Matter 14		
1	Details of Audit Qualifications:-	
	In view of the instances of noncompliance by the holding company with certain debt covenants including interest & principal repayment defaults, we would like to draw attention to the fact that the Holding Company has not obtained the balance confirmations on loans from lenders (including non-convertible debentures) amounting to Rs. 9337,02.50 lakhs (including interest accrued of Rs 5930,97.85 lakhs. In the absence of adequate and sufficient audit evidence to establish the amounts payable to the lenders, we are unable to provide our opinion on the correctness of these amounts reflected in the Consolidated financial Results and also on their consequential impact including potential tax liabilities.	
2	Type of Audit Qualifications:	Disclaimer of Opinion
3	Frequency of Qualifications:	Repetitive, 4th year
4	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	
5	For Audit Qualification(s) where the impact is not quantified by the auditor:	
	(i) Management's estimation on the impact of audit qualification:	
	(ii) If management is unable to estimate the impact, reasons for the same:	



The total financial liability of Unitech Group has been captured in Annexure C of the Resolution Framework (RF) submitted before the Hon'ble Supreme Court.

A total of 19 lenders, including Banks and ARCs have filed 65 cases in various DRTs, namely, New Delhi (DRT-1), Chandigarh, Chennai, Kolkata, Mumbai, Lucknow and Allahabad. In view of the moratorium granted by the Hon'ble Supreme Court, all these cases have been ordered to be adjourned sine die.

Various lenders have also filed IAs in the Hon'ble Supreme Court, which are pending consideration. Since the matter has already been covered in the Resolution Framework, the determination and final payment of principal amount and/ or interest thereon shall be made only in accordance with the decision of the Hon'ble Supreme Court in this behalf.

The company is providing for interest payable to Banks/ Financial Institutions based on the loan statements to the extent available and the balances are matching with statements. As far as process of confirmation of balances is concerned, it is stated that as per Standards on Auditing (SA)-505, prescribed by the Institute of Chartered Accountants of India (ICAI), the process of external confirmation is to be initiated by the Statutory Auditors for directly obtaining the evidence from the confirming parties at their level.

(iii) Auditors' Comments on (i) or (ii) above:
 Can not be quantified as on the date of our report due to details not available

Matter 15

1 Details of Audit Qualifications:-

Non-compliance of provisions of Indian Accounting Standards "IND AS" as prescribed under Section 133 of the Companies Act, 2013:-

a) Revenue from real estate projects (IND AS 115)
 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 whereas, the terms of the agreements entered by the Holding Company with buyers of the property does not satisfy the conditions specified in paragraph 35 of Indian Accounting Standard 115 "revenue from contracts with customers" in all the cases.

b) The Holding Company has accounted for its investment in one of its subsidiary M/s Unitech Power Transmission Limited, as non-current assets held for sale. Cost of investment as on 31st March, 2024 is Rs. 42,26.26 lakhs. Non determination of fair value for asset held on sale, as on the date of reporting, is not in compliance with the provisions of Indian Accounting Standard 105 "Non-Current Assets Held for Sale and Discontinued Operations". Accordingly, we are unable to comment upon the consequential impact, if any, on the carrying value of the asset held for sale and on the reported loss in the Consolidated financial results.

c) Inventory and project in progress.

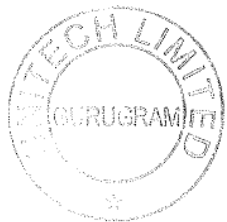
1. The Holding Company has not conducted any assessment of net realisable value of the inventory amounting Rs. 625,17.96 lakhs respectively which is required as required in paragraph 9 of Indian Accounting Standard 2 "inventories".

2. Reconciliation of sub-ledger records for advance received from homebuyers and trade receivables is in progress. In view of absence of the reconciliation, we are unable to conclude on the consequential impact of same on Consolidated Financial Results.

3. Project wise breakup of expenditure incurred on project covered under "project in progress on which revenue is not recognized" not made available to us by the Holding Company. Hence, we are unable to comment upon the accuracy of the amount disclosed thereunder. Also, aggregate figure of net revenue accounted for as per financial books does not reconcile with the consolidated figure of project wise working of revenue recognition under percentage of completion method.

4. We draw attention to note no. 16 of the Consolidated Financial Statements 'Other Current Assets' which include 'Amount Recoverable from Project in Progress (on which revenue is Recognized)' wherein no underlying documents for Rs. 107,08.78 lakhs, recognised as profit on sold property by erstwhile management, of the Holding Company, is available for verification. In absence of the same, we are unable to comment on the correctness of the profit recognised on sold property. In absence thereof, we are unable to comment upon the discrepancies if any and its consequential impact thereof.

2	Type of Audit Qualifications:	Disclaimer of Opinion
3	Frequency of Qualifications:	Repetitive, 4th year
4	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	
5	For Audit Qualification(s) where the impact is not quantified by the auditor:	
	(i) Management's estimation on the impact of audit qualification:	
	(ii) If management is unable to estimate the impact, reasons for the same:	



<p>(A) (a) The Company recognizes revenue over time if one of the following criteria of Paragraph 35 of Ind AS 115 is met, particularly 35 (c), 36 and 37, as given below:</p> <p>(i) Paragraph 35(c): the entity's performance does not create an asset with an alternative use to the entity (paragraph 36) and the entity has an enforceable right to payment for performance completed to date (paragraph 37).</p> <p>(ii) Paragraph 36: An asset created by an entity's performance does not have an alternative use to an entity if the entity is either restricted contractually from readily directing the asset for another use during the creation or enhancement of that asset or limited practically from readily directing the asset in its completed state for another use. The assessment of whether an asset has an alternative use to the entity is made at contract inception.</p> <p>After contract inception, an entity shall not update the assessment of the alternative use of an asset unless the parties to the contract the contract approve a contract modification that substantively changes the performance obligation.</p>
<p>(iii) Paragraph 37: - An entity shall consider the terms of the contract, as well as any laws that apply to the contract, when evaluating whether it has an enforceable right to payment for performance completed to date in accordance with paragraph 35(c).</p> <p>The right to payment for performance completed to date does not need to be for a fixed amount. However, at all times throughout the duration of the contract, the entity must be entitled to an amount that at least compensates the entity for performance completed to date if the contract is terminated by the customer or another party for reasons other than the entity's failure to perform as promised.</p>
<p>(A) (b) Following points are also considered by the company at the time of Revenue Recognition of revenue under POCM:</p> <p>(i) The company has an enforceable right to claim the payment from Customer for performance completed which has been agreed by customers in the Agreements to Sell (Builders-Buyer Agreements).</p> <p>(ii) The Company cannot change or substitute the residential/ commercial unit specified in the Builder-Buyer Agreement ("The contract") entered with the customer, and thus the customer could enforce his/her rights to the residential/ commercial unit if the Company sought to direct the asset for another use. In the opinion of the Management of the Company, the contractual restriction is substantive, and the real estate unit does not have alternative use to the Company.</p>
<p>(iii) Further, the Company has the right to claim the installments of the Residential/ Commercial properties from the buyers based on the milestones given in Builder Buyers Agreement and in case of defaults by the customers, said unit is not freely transferrable to another customer. The unit is not available for alternate use of the Company until cancelled.</p> <p>(iv) In certain cases, buyers of the property have availed bank finance against the property purchased by them and the Company has entered into the "Tripartite Agreement". Under this arrangement, the Company has given all original documents to the Bank. It indicates that the Company is not having any alternate use of property sold to the buyer and the buyers have full right over the property purchased from the Company till time, the buyers commit any breach towards the bank and /or does not repay its dues to Bank in full or in part and/or buyers commit breach of agreement with the Company.</p>
<p>(A) (c) Customer i.e. buyer of the unit is the beneficial owner of the unit purchased from the Company and is entitled to avail the loan from Banks. In the event of defaults by Customer in repayment of any installment, the Company has the right to cancel the allotment and forfeit the entire amount of Earnest Money deposited by the Allottees and the allottee shall be left with no right or lien on said property and the developer i.e. Company shall be free to sell the same to any other person in its sole discretion as it may deem fit. In the opinion of the Company, customer i.e. buyer of the unit is the beneficial owner of the unit purchased till the time of cancellation of the allotment of the unit on account of defaults in repayment schedule of the installments agreed in Builder Buyer's agreement.</p> <p>(A) (d) Further, we would like to submit that majority of projects are brown-field projects at different stages of construction.</p>
<p>(A) (e) We have relied on the clarification issued by ICAI on 20th July 2018 w.r.t. Revenue from Contracts in context of Real Estate Sector wherein it was clarified that Ind AS 115 does allow recognition of revenue using POCM.</p> <p>(A) (f) Prior to FY 2020-21, there was no qualification on revenue recognition under POCM by the earlier statutory auditor. Further, the company has sought an opinion from Expert Advisory Committee of ICAI.</p> <p>(B) Although, a fair valuation report as per provisions under section 56 of Income Tax Act, 1961, read with Rule 11UA of Income Tax rules, 1962, was obtained from a Registered Merchant Banker, the statutory auditors have asked for getting the fair valuation report from an IBBI registered Valuer as required under the provisions of Indian Accounting Standard 105 – "Non-current Assets held for sale and discontinued operations". It is submitted that fair valuation has not been got done from IBBI Registered Valuer so far. It is proposed to get the same done now before the process of disinvestment is completed.</p>



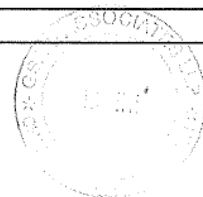
(C) (1) The exercise is planned to be completed during the FY 2024-25.
(C) (2) The Commercial Division has complete data available on the amount received from the customers and the balance receivables from them in respect of each of the units sold. As a matter of fact, the customers are also being allowed access to their individual Accounts Ledgers in a phased manner as the management raises demands for balance payments on an ongoing basis as per the Revised Payment Plan approved by the Hon'ble supreme Court. Reconciliation of the same with the data available with the Finance & Accounts Division is planned to be completed during FY 2024-25 itself.
(C) (3) The details to the extent available have been shared with Statutory Auditors. Further, project wise breakup will be worked out in FY 24-25 to the extent feasible.
(C) (4) This figure represents the Estimated Profit Recognized (share of Unitech Limited) in JV Projects comprising of Sohna Road Project, Executive Floors, Independent House, Executive Floor (Maruti), Independent Floor, Singleton Floor, Shopping Arcade and Nirvana Country. After receiving the Completion Certificate from DTCP of Haryana Government, the project will be treated as Completed and actual Profit/ Loss Account will be prepared for final closing.
(iii) Auditors' Comments on (i) or (ii) above:
Can not be quantified as on the date of our report due to details not available

Matter 16

1	<u>Details of Audit Qualifications:-</u>	
	There is a default in repayment of public deposits accepted by erstwhile management of Holding Company. As per the financial books, principal amount of deposit accepted for Rs. 534,87.75 lakhs is overdue for repayment. The Holding Company has not created any provision for interest payable during nine-month period amounting Rs. 65,26.69 lakhs (accumulated unaccounted interest is Rs. 483,22.14 lakhs). In our opinion, losses of the Holding Company and value of public deposits are understated to extent of Rs. 483,22.14 lakhs.	
2	Type of Audit Qualifications:	Disclaimer of Opinion
3	Frequency of Qualifications:	Repetitive, 4th year
4	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	
5	For Audit Qualification(s) where the impact is not quantified by the auditor:	
	(i) Management's estimation on the impact of audit qualification:	
	(ii) If management is unable to estimate the impact, reasons for the same:	
	(i) This issue has duly been explained in Chapter 8 of the Resolution Framework (RF) submitted to the Hon'ble Supreme Court and the Company shall take action as per the directions of the Hon'ble Court in this behalf. The New Management neither processes any such case nor is it authorized to do so till the Hon'ble Supreme Court takes a decision in this matter.	
	(ii) It is, however, clarified that disbursement to some fixed deposit holders (Sr. Citizens on a pro-rata basis) has been made through the Ld. Amicus Curie on the directions of the Hon'ble Supreme Court issued from time to time in the past. The details of amount disbursed to the FD holders directly from the Registry have been received in the Company on 22.11.2022 and the amount of disbursement is being captured in the books of accounts and reconciled.	
	(iii) Further refund of another amount of Rs. 13.19 Crore has been approved by the Hon'ble Supreme Court vide its Orders dated 01.02.2023 for refund of principal amount of FDs to depositors on grounds of Medical Exigencies. As on 31.03.2024, the Company has already released an amount of Rs. 12.94 Crore to 506 out of 548 FD holders. The remaining cases are pending for want of receipt of requisite papers from the concerned Depositors.	
	(iii) Auditors' Comments on (i) or (ii) above:	
	Can not be quantified as on the date of our report due to details not available	

Matter 17

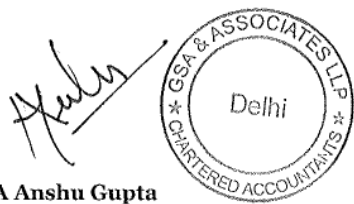
1	<u>Details of Audit Qualifications:-</u>	
	The Holding Company has conducted physical verification of its property plant and equipment and the reconciliation of the same with books of accounts is in progress. In absence of the reconciliation, we are unable to comment on the discrepancy between book record and physical counts, if any and its consequential impact of the financial results	
2	Type of Audit Qualifications:	Disclaimer of Opinion
3	Frequency of Qualifications:	Repetitive, 4th year
4	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	
5	For Audit Qualification(s) where the impact is not quantified by the auditor:	
	(i) Management's estimation on the impact of audit qualification:	
	(ii) If management is unable to estimate the impact, reasons for the same:	
	The Company has initiated a series of steps for getting the physical verification, for the year ending 31st March 2024, done through the Company's existing staff. Although a substantial portion of physical verification has been covered, the reconciliation part, however, remains pending, which is likely to be completed in the next about 6 months' time. It is submitted that after the conclusion of the physical verification for the year ended 31.03.2024, the physical verification on year-end basis in future would be conducted regularly to have proper control and to address the observations of the Statutory Auditors.	
	(iii) Auditors' Comments on (i) or (ii) above:	




	Can not be quantified as on the date of our report due to details not available	
Matter 18		
1	Details of Audit Qualifications:-	
	the Holding Company has 2,456 litigation pending in Hon'ble Supreme Court of India. Based on the explanation provided by the Holding Company, considering the number of litigations pending, it is not possible for the Holding Company to compute the possible impact of the same. In view of above, we are unable to express an opinion on the accounting of potential liability on account of pending case and completeness of disclosure of contingent liability made by the group in the consolidated financial Results.	
2	Type of Audit Qualifications:	Disclaimer of Opinion
3	Frequency of Qualifications:	Repetitive, 4th year
4	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	
5	For Audit Qualification(s) where the impact is not quantified by the auditor:	
	(i) Management's estimation on the impact of audit qualification:	
	(ii) If management is unable to estimate the impact, reasons for the same:	
	The financial impact of litigations can be ascertained once the final verdict is pronounced by the Hon'ble Supreme Court on all the litigations.	
	(iii) Auditors' Comments on (i) or (ii) above:	
	Can not be quantified as on the date of our report due to details not available	

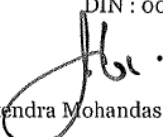
For GSA & Associates LLP
Chartered Accountants
Firm Registration No. 000257N/ N500339

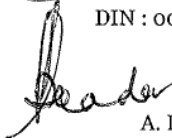
For and on behalf of the Board of Directors

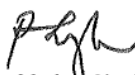


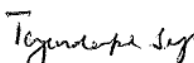
CA Anshu Gupta
Partner
Membership No.077891



Yudhvir Singh Malik
Chairman & Managing Director
DIN : 00000555


Jitendra Mohandas Virwani
Director
DIN : 00027674

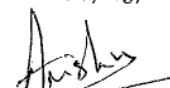

A. K. Yadav
Chief Executive Officer


Prabhakar Singh
Director
DIN : 08696229


Tajinder Pal Singh Madan
Chief Financial Officer


Girish Kumar Ahuja
Director
DIN : 00446339


Uma Shankar
Director
DIN : 07165728


Anuradha Mishra
Company Secretary

Place: Gurugram
Date: 28.05.2024