

# MW UNITEXX LIMITED

99, Ground Floor, Niranjana Building, Marine Drive Mumbai – 400 002

CIN : L72200MH2000PLC130073

## STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED ON 31ST DECEMBER, 2017

PART I		STANDALONE RESULTS				
SR No.	PARTICULARS	Quarter Ended			Nine Months Ended	
		Dec-17	Sep-17	Dec-16	Dec-17	Dec-16
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
<b>1</b>	<b>Income</b>					
	a. Revenue from Operations	-	-	-	-	
	b. Other Income	-	-	-	-	
	<b>Total Income</b>	-	-	-	-	
<b>2</b>	<b>Expenses</b>					
	a. cost of materials consumed	-	-	-	-	
	b. Purchases of Stock-in-trade	-	-	-	-	
	c. Changes in inventories	-	-	0.27	-	
	d. Employees cost	-	-	3.19	-	
	e. Finance Costs	-	-	0.02	-	
	f. Depreciation and amortisation expenses	-	-	-	-	
	g. Other expenses	5.00	5.00	5.00	15.00	15.00
	<b>Total Expenses</b>	<b>5.00</b>	<b>5.00</b>	<b>8.48</b>	<b>15.00</b>	<b>23.48</b>
<b>3</b>	<b>Profit / (Loss) before Extraordinary and Exceptional Items (1-2)</b>	<b>(5.00)</b>	<b>(5.00)</b>	<b>(8.48)</b>	<b>(15.00)</b>	<b>(28.48)</b>
4	Exceptional Items	-	-	-	-	
5	Extraordinary Items	-	-	-	-	
6	<b>Profit/(Loss) before tax (3-4-5)</b>	<b>(5.00)</b>	<b>(5.00)</b>	<b>(8.48)</b>	<b>(15.00)</b>	<b>(28.48)</b>
7	Tax expense					
	Current Tax	-	-	-	-	
	Deffered Tax	-	-	-	-	
8	<b>Profit /(Loss) for the period (6-7)</b>	<b>(5.00)</b>	<b>(5.00)</b>	<b>(8.48)</b>	<b>(15.00)</b>	<b>(28.48)</b>
9	Other Comprehensive Income (OCI)	-	-	-	-	
10	<b>Total Comprehensive Income (8+9)</b>	<b>(5.00)</b>	<b>(5.00)</b>	<b>(8.48)</b>	<b>(15.00)</b>	<b>(28.48)</b>
11	Earnings Per Share (EPS)					
	- Basic EPS	(0.038)	(0.038)	(0.065)	(0.115)	(0.115)
	- Diluted EPS	(0.038)	(0.038)	(0.065)	(0.115)	(0.115)

**MW Unitexx Limited**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS**

**I. Notes**

1. Since no Audit Committee and Board meeting was conducted, the above financial results of the Company for the Quarter and nine months ended December 31, 2017, have not been reviewed and approved by the Audit Committee by the Board respectively. The financial results for quarter and nine months ended December 31, 2017 have been subjected to statutory audit in compliance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Statutory Auditors have expressed a modified audit opinion.
2. The above financial results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS) prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable. Beginning April 1, 2017, the Company has for the first time adopted Ind-AS with a transition date of April 1, 2016. However, the Company has carried all its financial assets and financial liabilities at deemed cost which is not in line with the aforesaid IND-AS, consequential impact of which is unascertainable.
3. The format for above financial results, as prescribed in SEBI's circular CIR/CFD/CMD/II/5/ROIS dated 30 November, 2015, has been modified to comply with requirements of SEBI's circular dated July 5, 2016, Ind-AS and Schedule 111 to the Companies Act, 2013.
4. The above financial results do not include Ind-AS compliant results for the previous year ended March 31, 2017, as the same are not mandatory as per SEBI's circular dated July 5, 2016.
5. The Company had made investments in step down foreign subsidiary company named MW Unitexx S.A. as the shares of the said step down subsidiary Company was pledged to EXIM bank against loan taken by them due to non-repayment of the said loan these pledged shares were sold by EXIM bank to a third party as on 6th December, 2016. Further, EXIM bank had also taken over management control of the said step down subsidiary since 14th August, 2014 and hence no data was available with the Company. The Company has filed a Legal case against EXIM bank for invoking pledge share and taking over management control of the Company. In view of the said dispute the Company continues to show the said assets in its books at Cost as the same are Long term Strategic Investment. In respect of Other Subsidiary and Associate Company the Company's is of the Opinion that there is no diminution in value of investment and hence continues to carry at cost.
6. There has been a limited progress in the Unimart Project being undertaken by the Company, due to which no capitalization of stores has taken place and the company continued with incurring Capital Work in Progress under the head pre-operative expenditure pending for allocation for Unimart Project aggregating to Rs 2,327.87 Lacs, which was included under the head pre-operative expenditure. The management is hopeful of implementing the above project in near future.
7. The Company had given interest free refundable deposit to agent amounting to Rs 4471.05 Lacs which is outstanding for long time without any performance, shown under the head Long terms loans and advances for procuring material, executing the branding and promotional activities under the name and style of unimart at various places.
8. The Company has borrowed Secured Loans from Financial Institution for its Unimart Project from SICOM Limited however the said loan has become NPA and hence the Company is unable to obtain confirmation of the said loan.
9. The company has made the provision for employee benefits, on accrual basis on estimated by the management as per the size of the employees. The same practice is in violation of recommendations as given in Ind -AS-19, Employee Benefits which prescribed actuarial valuation, Amount of such non-provision of such loss. As there are only few employees left with the Company.
10. The company has not conducted AGM for the year ended March 2015 onwards as well as adoption of accounts of March 2015 is also pending, within its stipulated time due to non availability of Audited financials of its Foreign Subsidiaries from where the Company was earning substantial revenue.
11. The Company has discontinued with the provision of interest on a secured loan taken from a Financial Institution, interest amounting to Rs. 358.53 Lacs for the quarter and 1075.59 Lacs for nine months ended and Rs 3,608.54 Lacs upto December 2017, has not been booked, since the management was of the view that the balance in the



**MW Unitexx Limited**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

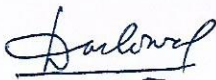
**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS**

Company's books would sufficiently cover the amount payable to the said Financial Institution. However, there is a disagreement in this regards with the lenders, who has initiated acting by treating the Company as a defaulter. The matter is sub-judice as at the close of the year.

12. Balance appearing under the head Non-current Assets- Other financial assets, Current assets- Other financial assets, Current liabilities- Borrowing, Current Liabilities- Other financial liabilities Trade Payable; are subject to Confirmation/ reconciliation and adjustments if any from the respective parties
13. The Company has not carried out Internal Audit as well as Secretarial Audit as required under the Audit further the Company has also not strictly not complied with Provisions of Companies Act.
14. The company had in its earlier year received an unsecured loans from body corporate the balance of the same amounting to Rs.2,190 Lacs, is pending documentation. Further the Company has also not booked interest on the said loan amounting to Rs 74.03 Lacs for the quarter and Rs 222.09 Lacs for the half year ended.
15. The Company does not have an audit committee or independent directors on board. Further, the Company has not carried out any audit committee meeting or board meeting for more than a year which is not in line with section 177and Section 173 of the Act.
16. The Company was not in the position to pay listing fees hence the exchange has suspended its share trading. Further the Company has also received notices from both the exchanges for non-compliance with the listing terms and for non-payment of listing fees.
17. The Company which states that the company does not have Company Secretary as well as CFO, which is not in line with Section 203 of the Act.
18. The Company has been incurring constant losses further the textile division of the Company has also been discontinued it has also been facing cash-flow mismatches if the management is not able to infuse adequate money on appropriate time than the going concern assumption might get impacted
19. Reconciliation of Net Profit for the quarter and year ended December 31,2016 reported under IGAAP to Ind-AS:

<b>Particulars</b>	<b>Quarter Ended 31/12/2016</b>	<b>Nine Months Ended 31/12/2016</b>
Net Profit I (Loss) after tax as per Indian GAAP	(847,988)	(2,543,964)
Add/(Less) : Ind AS Adjustments	-	-
Net Profit I (Loss) as per Ind-AS	(847,988)	(2,543,964)

**For and on behalf of the Board**



**Warij A. Kasliwal**  
Vice-Chairman

Place: Mumbai  
Date: 08.10.2018

To,  
The Board of Directors  
**MW Unitexx Limited**

We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **MW Unitexx Limited** ("the Company") for the quarter ended and nine months ended 31<sup>st</sup> December, 2016 ("the Statement") being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Circular No. CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July, 2016. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting IndAS-34, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the Company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review conducted nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the applicable Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued there under and other recognized accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement, except

- 1) Refer Note No. 5 of unaudited Standalone Financial Results of the Company which states that we were unable to get Comment on the investment of the Company in its foreign subsidiary company named MW Unitexx S.A. as the shares of a step down subsidiary Company of the said Company was pledged to EXIM bank against loan taken by them due to non-repayment of the said loan these pledged shares were sold by EXIM bank to a third party as on 6<sup>th</sup> December, 2016 Further, EXIM bank had also taken over management control of the said step down subsidiary since 14<sup>th</sup> August, 2014 and hence no data was available with the Company. The Company has filed a Legal case against EXIM bank for invoking pledge share and taking over management control of the Company. In view of the said dispute the Company continues to show the said assets in its books at Cost Rs 21,133.86.00 Lacs as the same are Long term Strategic Investment. In respect of Other Subsidiary and Associate Company amounting to Rs 4,145.05 Lacs the Company's is of the Opinion that there is no Diminution in value of investment and hence continues to carry at cost however there was no valuation of shares carried out. In view of the above we were unable to determine whether any adjustments might have been found necessary in respect of investment in the Balance Sheet, and the corresponding elements making up the Statement of Profit and Loss and Cash Flow Statement.



- 2) Refer Note No. 6 of unaudited Standalone Financial Results of the Company regarding continuation of capitalization by the Company in respect of Pre-operative expenses aggregating to Rs.2,328.78 Lacs in respect of Unimart Project under the head Capital Work in Progress despite lack of movement in the said Project, since the Company is hopeful of successful completion of the same in near future. Accordingly, Pre-operative expenses under the head Property, Plant and Equipment- Capital Work in Progress have been overstated and loss for the quarter and nine months ended has been understated by Rs. 2,328.78 Lacs.
- 3) Refer Note No. 7 of unaudited Standalone Financial Results of the Company regarding non-provision of Non-current Assets-Other financial assets represent interest-free refundable deposits to agents for more than three years amounting to Rs 4,471.05 Lacs against which no performance has been received, since the management is hopeful of its recovery. Consequently, Non-current Assets- Other financial assets have been overstated and loss for the quarter and nine months ended has been understated by Rs 4,471.05 Lacs.
- 4) Refer Note No. 11 of unaudited Standalone Financial Results of the Company regarding non provision of interest expense amounting to Rs 358.53 Lacs for the quarter and Rs 1075.59 Lacs for nine months ended on the loan taken from a financial institution for Unimart project, the Company has not booked interest on the said Loan from December 2014 amounting to Rs 3,608.54 Lacs. The management has also during the year under review has received a notice of willful defaulter from the said financial institution for which the management is contesting at the matter is still pending decision. However, the management is of the opinion that the balance already provide in the books would be sufficient to pay the said party. On account of the said non provision Loss of the Company and Other current liabilities has been understated to the above extent.
- 5) Refer Note No. 18 of unaudited Standalone Financial Results of the Company which states that the Company has been incurring constant losses further the textile division of the Company has also been discontinued it has also been facing cash-flow mismatches if the management is not able to infuse adequate money on appropriate time than the going concern assumption might get impacted.
- 6) Refer Note No. 8 of unaudited Standalone Financial Results of the Company which states that Confirmation of loan taken from Sicom Ltd amounting to Rs 4,500 Lacs shown under the head "Other financial liabilities" in Current Maturities of Long Term Debt and interest there on Rs 1,528.92 are not available with the Company as the said loan has become Non -performing Assets. Also refer (iii) above.
- 7) Refer Note No. 12 of unaudited Standalone Financial Results of the Company regarding balance appearing under the head Non-current Assets- Other financial assets, Current assets- Other financial assets, Current liabilities- Borrowing, Current Liabilities- Other financial liabilities Trade Payable; are subject to Confirmation/ reconciliation and adjustments if any from the respective parties
- 8) Refer Note No. 9 of unaudited Standalone Financial Results of the Company regarding non-provision for Gratuity and Leave Encashment on basis of Actuarial Valuation, which is in non-compliance of recommendations of Ind AS-19 Employee Benefits. The amount for the same is unascertainable.



- 9) Refer Note No. 14 of unaudited Standalone Financial Results of the Company which states that the company had received an unsecured loan from two body corporates amounting to Rs. 2,190 Lacs the documentation in respect of which was pending to be completed. Further, the Company has also not booked interest expense on the said loan amounting to Rs 74.03 Lacs for the quarter ended and Rs 222.09 Lacs for the nine month ended thereby understating loss of the Company and Short term borrowings to the said extent.
- 10) Refer Note No. 15 of unaudited Standalone Financial Results of the Company which states that the Company Neither has audit committee or independent directors on board nor has the Company carried out any audit committee meeting or board meeting for more than a year which is not in line with section 177 and Section 173 of the Act. Further statutory register as required under the Act are also not maintained by the Company.
- 11) Refer Note No. 16 of unaudited Standalone Financial Results of the Company which states that the Company was not in the position to pay listing fees hence the exchange suspended its share trading. Further the Company has also received notices from both the exchanges for non compliance with the listing terms and for non payment of listing fees.
- 12) Refer Note No. 17 of unaudited Standalone Financial Results of the Company which states that the company does not have Company Secretary as well as CFO, which is not in line with Section 203 of the Act.
- 13) Refer Note No. 10 of unaudited Standalone Financial Results of the Company which states that the Company has not conducted the AGM for the FY 2014-15, 2015-16 and 2016-17 has not been conducted by the Company as the Company was not able to arrange for the financials statement of the foreign subsidiary company which forms substantial part of the Company's consolidated results. For the reasons stated as there is no AGM we continue to Act as auditor of the Company.
- 15) Refer Note No. 13 of unaudited Standalone Financial Results of the Company which states that the Company has not carried out Internal Audit as well as Secretarial Audit as required under the Audit further the Company has also not strictly not complied with Provisions of Companies Act.
- 16) Refer Note No. 2 of unaudited Standalone Financial Results of the Company which states that the Company has adopted Ind-AS for the first time, however, as required under Ind-AS 101 - First time adoption of IND-AS, to value and book all its financial assets and financial liabilities at fair market values, the Company has carried all its financial assets and financial liabilities at deemed cost which is not in line with the aforesaid IND-AS, consequential impact of which is unascertainable.

For **S M M P & Associates**  
Chartered Accountants  
Firm Registration No. 120438 W



A handwritten signature in black ink that reads 'Sonal Parekh'.

**Sonal Parekh**  
Partner

Membership No. F- 139852

Mumbai, dated 8<sup>th</sup> October, 2018