

ANNUAL REPORT

2016-2017



Hanung

Hanung Toys and Textiles Limited

**CORPORATE INFORMATION****BOARD OF DIRECTORS**

Mr. Ashok Kumar Bansal	Chairman-cum-Managing Director
Mr. Mukesh Kumar	Non Executive Director
Mr. Abhishek Monu Kaushik	Independent Director
Mrs. Deepika Gera	Independent Director

AUDIT COMMITTEE

Mr. Abhishek Monu Kaushik	Chairman
Mr. Ashok Kumar Bansal	Member
Mrs. Deepika Gera	Member

SHARE TRANSFER/INVESTOR GRIEVANCES REDRESSAL

Mr. Abhishek Monu Kaushik	Chairman
Mr. Ashok Kumar Bansal	Member
Mrs. Deepika Gera	Member

REMUNERATION COMMITTEE

Mr. Abhishek Monu Kaushik	Chairman
Mrs. Deepika Gera	Member
Mr. Ashok Kumar Bansal	Member

COMPANY SECRETARY

Ms. Sunita Thakur

STATUTORY AUDITORS

M/s. Ravindra Sharma & Associates

Chartered Accountants,

12, 1st Floor, Satya Niketan, New Delhi

BANKERS

Punjab National Bank	State Bank of India	Andhra Bank
Oriental Bank of Commerce	Syndicate Bank	Bank of Baroda
Union Bank of India	Central Bank of India	EXIM Bank
Allahabad Bank	Karnataka Bank	Karur Vysya Bank
ICICI Bank	Bank of India	UCO Bank
Bank of Maharashtra	DBS Bank	

REGISTRARS AND TRANSFER AGENT**Karvy Computershare Private Limited**

Karvy Selenium Tower-B, Plot No. 31-32,

Financial District, Nanakramguda, Gachibowli,

Hyderabad-500032, Telangan,

Phone : 040 - 67162222, Fax No. : 040 -23001153,

Email: einward.ris@karvy.com; einward.ris@karvy.com,

Website: www.karvycomputershare.com

CORPORATE OFFICE

108-109, NSEZ, Noida 201305 Uttar Pradesh

Tel: +91 120-4140200, Fax: +91 120 4140270

REGISTERED OFFICE

E-93, 3rd Floor, Greater Kailash Enclave-I, New Delhi - 110048

Tel: +91 11 26241572, Fax: +91 11 26241822



Annual Report 2016 - 2017

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NOTICE

NOTICE is hereby given that the 27th Annual General Meeting of members of Hanung Toys and Textiles Limited will be held on Tuesday the 26th September 2017 at 11.30 A.M. at Muktheadhara Auditorium, Banga Sanskriti Bhawan Trust 18-19, Bhai Veer Singh Marg, Gole Market New Delhi-110001 to transact with or without modification(s) the following businesses:

ORDINARY BUSINESS :

1. To Receive, Consider and adopt the Audited Financial Statement for the financial year ended 31st March 2017 and Reports of Director's and Auditors' thereon.

“RESOLVED THAT Audited Financial Statements of the Company for the financial year ended 31st March 2017 along with Directors' Report, Independent Auditors' Report thereon be and are hereby received, considered, approved and adopted.”

2. To appoint director in place of Mr. Mukesh Kumar (DIN 07231118), who retires by rotation in this Annual General Meeting and being eligible offers himself for re-appointment.

“RESOLVED THAT Mr. Mukesh Kumar (DIN 07231118) who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as Director of the Company liable to retire by rotation.”

3. **To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:**

RESOLVED THAT in terms of Section 139, 142 and other applicable provisions of the Companies Act, 2013, read with rules made there under, pursuant to the recommendation of the audit committee of the Board of Directors the Company, hereby, ratifies the appointment of M/s Ravindra Sharma & Associates, Chartered Accountant, New Delhi, Firm Registration No.006415N, as Statutory Auditors of the Company for the fourth consecutive year, i.e. from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting to be held for the financial year 2017-18.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to fix remuneration of Auditors, in consultation with the Audit Committee and the Auditors.”

Date : August, 10th, 2017

Place : Noida

**By order of the Board
For Hanung Toys and Textiles Limited**

**Sunita Thakur
Company Secretary**

NOTES :-

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT MEETING. A PROXY FORM IS ENCLOSED WITH THIS NOTICE.



2. Pursuant to Section 105 of Companies Act, 2013 and rules made there under, a person shall not act as a proxy for more than 50 members and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. However, a member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person.
3. Corporate members intending to send their authorized representative to attend the meeting are requested to send to the Company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, 19th, September, 2017 to Monday, 26th September 2017 (both days inclusive).
5. In all correspondence with the Company, members are requested to quote their Folio Number and in case their shares are held in the dematerialized form, they must quote their DP ID and Client ID Number.
6. A member desirous of getting any information on the accounts or operations of the Company is requested to forward his / her queries to the Company at least seven working days prior to the date of meeting, in order to be furnished with required information at the meeting.
7. Members, who hold shares in dematerialized form, are requested to write their Client ID and DP ID details, and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
8. The Securities Exchange Board of India has mandated submission of Permanent Account Number (PAN Number) by every participant in the securities market and accordingly quotation of PAN details of both the transferor and the transferee are compulsory for registration of transfers.
9. Brief profile of Directors seeking re-appointment at the ensuing Annual General Meeting forms integral part of the notice. All requisite declarations have been received from the Directors seeking re-appointment.
10. The Company has sent the electronic copy of the Annual Report for the 27th Annual General Meeting to all the members who's email id are registered with the Company / Depository. For member who have not registered their email address, physical copies of the Annual Report is being sent in the permitted mode.

In order to support the GO GREEN Initiative of the Company members are requested to update their Email Id's with either the depository/RTA or to the Company by mailing the name of the Share holder, Folio No. and Number of Shares held along with the Email ID to the corporate office of the Company or to the Company Secretary: - hanungcorp@gmail.com. A format of letter for intimating the details and Email ID of the members is attached herein with

11. The copies of Attendance Sheet, proxy Forms and procedure of E-Voting and route map etc. are stated in the Annual Report for the 27th Annual General Meeting of the Company and the same are also available on the website of the Company.
12. Members are requested to bring their copies of the Annual Report in the meeting and the Attendance Slip, duly filled-in and signed as per the specimen signature recorded with the Company / Depository Participant for attending the meeting.



13. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), 2015 ("Listing Regulations") and any other applicable provisions, the Company is pleased to provide members the facility to exercise their right to vote by electronic means. The members whose name appears in the Register of Members/ List of Beneficial Owners as on 18th September, 2017 shall be entitled to vote through E-Voting process. The E-Voting period will commence from 23rd September, 2017 at 9.00am on and will end at 5.00 pm on 25th September, 2017. The members desiring to vote through electronic mode may refer to the detail procedure on E-Voting given hereinafter.

General Information and Instructions relating to E-Voting are as under:

Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Company has engaged the services of Karvy Computershare Private Limited (Karvy) for facilitating remote E-Voting and enabling the members to cast their vote in a secured manner. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 18th September, 2017, are entitled to vote on the resolutions set forth in this Notice. The remote E-Voting period will commence at 9.00 a.m. on 23rd September, 2017, and will end at 5.00 p.m. on 25th September, 2017. The members desiring to cast their vote through remote E-Voting may refer to the detailed procedure given hereinafter.

PROCEDURE AND INSTRUCTIONS FOR E-VOTING

- I. Remote e-voting: In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited (Karvy) on all resolutions set forth in this Notice, from a place other than the venue of the Meeting (Remote e-voting).
- A. In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company/Depository Participants (s)]
- i Launch internet browser by typing the URL: <https://evoting.karvy.com>.
 - ii Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
 - iii After entering these details appropriately, click on "LOGIN".
 - iv You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.



- v You need to login again with the new credentials.
 - vi On successful login, the system will prompt you to select the “EVENT” i.e., ‘Name of the Company’
 - vii On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under “FOR/AGAINST” or alternatively, you may partially enter any number in “FOR” and partially “AGAINST” but the total number in “FOR/AGAINST” taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.
 - viii Members holding multiple folios / demat accounts shall choose the voting process separately for each folio/demat accounts.
 - ix Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
 - x You may then cast your vote by selecting an appropriate option and click on “Submit”.
 - xi A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
 - xii Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email svcalegal@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format “Corporate Name_Event No.”
- (B)** In case of Members receiving physical copy of Notice [for Members whose email IDs are not registered with the Company/Depository Participants (s)]:
- i iE-Voting Event Number – XXXX (EVEN), User ID and Password is provided in the Attendance Slip.
 - ii Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means
- II.** Voting at AGM: The members, who have not cast their vote through remote e-voting can exercise their voting rights at the AGM through poll. The Company will make necessary arrangements in this regard at the AGM Venue. Members who have already cast their votes by remote e-voting are eligible to attend the meeting; however those members are not entitled to cast their vote again in the meeting. A Member can opt for only single mode of voting i.e. through remote e-voting or voting at the AGM (poll). If a member casts votes by both modes then voting done through remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

OTHER INSTRUCTIONS

- (a)** In case of any query and/or grievance, in respect of voting by electronic means, members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.karvy.com> (Karvy Website) or contact B Srinivas (Unit: HANUNG TOYS AND TEXTILES LIMITED) of Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at einward.ris@karvy.com or phone no. 040 – 6716 2222 or call Karvy's toll free No. 1800-3454-001 for any further clarifications



- (b) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- (c) The remote e-voting period commences on 23rd September, 2017 (09.00 am) and ends on 25th September, 2017 (05.00 pm). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 18th, 2017 may cast their votes electronically.
- (d) A person who is not a member as on the cut-off date should treat this notice for information purposes only.
- (e) The remote e-voting module shall be disabled for voting thereafter.
- (f) Once the vote on a resolution(s) is cast by the member, the member shall not be allowed to change it subsequently.
- (g) The voting rights of members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date i.e. 18th September, 2017.
- (h) In case a person has become a member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting i.e., 18th September, 2017, he/she may obtain the User ID and Password in the manner as mentioned below
 - i If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399
Example for NSDL: MYEPWD <SPACE> IN12345612345678
Example for CDSL: MYEPWD <SPACE> 1402345612345678
Example for Physical: MYEPWD <SPACE> XXXX123456789
 - ii If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click “Forgot Password” and enter Folio No. or DP ID Client ID and PAN to generate a password.
 - iii Member may call Karvy’s toll free number 1800-3454-001.
 - iv Member may send an e-mail request to einward.ris@karvy.com and/or hanungcorp@gmail.com. However, Karvy shall endeavor to send User ID and Password to those new Members whose mail ids are available.
- (i) The Company has appointed Mr. Surinder Vashishtha Practicing Company Secretary, to act as the Scrutinizer, to scrutinize the poll and remote e-voting process in a fair and transparent manner.
- (j) The results (of e-voting and poll) shall be declared within 48 Hours of the Annual General Meeting. The results along with the Scrutinizer's Report shall also be placed on the website of the Company and submitted to the Stock Exchanges.

ADDITIONAL INFORMATION OF DIRECTORS SEEKING ELECTION AT ENSUING ANNUAL GENERAL MEETING AS REQUIRED UNDER REGULATION 36(3) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

Mr. Mukesh Kumar

**(1) A Brief Resume & his expertise specific functional areas of Mr. Mukesh Kumar**

Mr. Mukesh Kumar (DIN 07231118) a resident Indian National, Joined as Non-Executive Non Independent Director of the Company on August 13th 2016. He is a Commerce Graduate from Rohtak University and is a Qualified Company Secretary with over 10 years of experience in Corporate Advisory and related services.

(2) Disclosure of relationships between Directors inter-se :Nil**(3) Name of Listed entities (other than Hanung) in which Mr. Mukesh Kumar also holds the Directorship and the Membership/Chairmanship of Committees of the Board :Nil****(4) Shareholding in the Company :Nil**

Date : August, 10th, 2017

Place : Noida

**By order of the Board
For Hanung Toys and Textiles Limited**

**Sunita Thakur
Company Secretary**



DIRECTOR'S REPORT

Dear Members,
Hanung Toys and Textiles Limited

Your Directors have pleasure in presenting the 27th Annual Report, together with the Audited Statements of Accounts of the Company for the year ended March 31st, 2017 in terms of the Companies Act, 2013 and rules & regulation made there under & Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as amended from time to time including Circular Ref.CIR/CFD/FAC/62/2016 dated 05.07.2016, as may be applicable during the period under review.

FINANCIAL HIGHLIGHTS:

The following table gives the financial highlights of your Company on a standalone basis according to the Indian Generally Accepted Accounting Principles (GAAP)

FINANCIAL RESULT		(Rs. in Lacs)
Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Net Sale & other Income	1,411.53	9,511.18
Profit / (Loss) Before Interest, Depreciation & Tax	(3,452.16)	(62,718.07)
Financial Cost	6.76	27,819.71
Depreciation	5,160.96	5,282.63
Net Profit/(Loss) Before Tax	(8,619.88)	(95,820.41)
Provision for Tax	2,404.00	13,528.00
Profit/(Loss) after Tax	(11,023.88)	(1,09,348.41)
Appropriations	-	--
Proposed Dividends	-	--
Provision for Tax for Dividends	-	--
Surplus carried forwards to Balance Sheet	(11,023.88)	(1,09,348.41)
Transfer to General Reserve	--	--
Net Surplus carried forwards to Balance Sheet	--	--

EROSION OF NET WORTH AND REFERENCE TO THE BOARD FOR INDUSTRIAL AND FINANCIAL RECONSTRUCTION (BIFR)

The operating results have been adversely affected due to adverse market conditions, non receipt of Tuff's subsidy and blockage of substantial funds in slow/ non moving stocks and debtors. The Company faced severe liquidity crunch and huge scarcity in the working capital funds. On account of the operational losses and consequent negative net worth, the Company made a Reference with the Board for Industrial and Financial Reconstruction in terms of the provisions of section 15(1) of Sick Industrial Companies (Special Provisions) Act 1985, which has since been registered by the Hon'ble BIFR as Case No. 54/2015. The reference of the Company has been abated on the ground that more than 75% of the secured creditors have taken action under section 13(4) of SARFAESI Act and the order of the same has been passed by the Hon'ble BIFR on dated May 30, 2016. The Company had filed an appeal against the order of Hon'ble BIFR with Appellate Authority for Industrial & Financial Reconstruction (AAIFR) and challenged the legal validity of the action taken by the secured creditors under section 13(4) of the SARFAESI Act. The Hon'ble AAIFR observed in his order passed on dated on October 21, 2016 that AAIFR have no jurisdiction to decide the legal validity of the action taken by the secured creditors under section 13(4) of the SARFAESI Act.



The Company had filed a petition before the Hon'ble High Court of Delhi and challenged the order passed by Hon'ble AAIFR on dated October 21, 2016. The Hon'ble High Court of Delhi in its order dated March 23, 2017 observed that a Gazette Notification No. 2792 dated 28.11.2016 was issued enforcing the Sick Industrial Companies (Special Provisions) Repeal Act, 2003 w.e.f. 1st December, 2016. With the enforcement of the said Repeal Act, the AAIFR and BIFR stand dissolved and all the proceedings of whatever nature pending before AAIFR and BIFR under SICA stand abated. The Hon'ble High Court of Delhi further observed that any company in respect of which, an appeal or enquiry stand abated, might make reference to the National Company Law Tribunal under the Insolvency and Bankruptcy Code. The Company is seeking legal advice on the observation made by the Hon'ble High Court of Delhi with regard to making reference before the jurisdictional National Company Law Tribunal.

OVERVIEW AND REVIEW OF OPERATIONS

The Indian Toys and Textiles Industry witnessed challenging times as results of low growth led by issues such as high fiscal deficit, high inflation and worsening current account balance. The slowdown in the global growth aggravated the sluggishness in the economy. Apart from the un-favorable demand supply scenario the industry has also been reeling under the pressure of rising manufacturing cost shortage of working capital etc.

During the period under review your company has achieve gross sales and other income of Rs. 1411.53 Lacs in comparison to Rs. 9511.18 Lacs in previous year and could not maintain the EBITDA which comes to Rs. (3,452.16) Lakh in comparison to Rs. (62,718.07) Lakh in previous year due to shortage of working capital and operational challenges in the production etc. Due to this the financial performance of the company has been affected adversely. The impact of measures for improvement in the performance taken place during the year will be reflected in the current year's financial parameters.

DIVIDEND

Due to operational loss suffered by the Company, your directors do not propose any dividend for the current financial year.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said Rules are stated in Annexure F to this report.

CORPORATE GOVERNANCE

A report as per the requirements of Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on the Corporate Governance practices followed by the Company and the Statutory Auditors' Certificate on Compliance of mandatory requirements along with Management Discussion and Analysis is given as an Annexure A to this report.

The mandatory information under corporate governance is annexed as Annexure-C. It has always been the endeavor of your company to practice transparency in its management and disclose all requisite information to keep the public well informed of all material developments.

CONSOLIDATED FINANCIAL STATEMENTS

There are no subsidiaries and therefore there was no such requirement for preparation and presentation of consolidated financial statements of the subsidiaries in accordance with Accounting Standard (AS) 21 on Consolidated Financial Statements.



The Company has 2 (two) Associate Companies- M/s Hanung Infra & Power Ltd. and M/s Hanung Retail Ltd. Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules 2014, Statement containing salient features of the financial statement of said associate companies is annexed in the prescribed Form AOC-1.

DIRECTORS AND KEY MANAGERIAL PERSONNELS

Mrs. Anju Bansal, Non Executive Director (DIN N0.00028508) has resigned from the Board of the Company and Board accepted her resignation in the meeting of Board of Directors of the Company held on 14th November 2016.

Mr. Lalit Chawla, company secretary has resigned and board has accepted his resignation in their meeting held on 3rd June 2017 and Ms. Sunita Thakur was appointed as a company secretary of the company in the meeting of Board of Director of the Company held on 19th June 2017.

It is reported that other than the above there have been no changes in the Directors or Key Managerial Personnel during the year.

STATUTORY AUDITOR

M/s Ravindra Sharma & Associates, New Delhi were appointed as Statutory Auditor of the Company for a period of 5 Years subject to ratification by the Shareholders in the Annual General Meeting of the Company. The Board of Directors of the Company have hereby proposed the ratification of the appointment of Statutory Auditors of the Company for the financial Year 2017-18.

M/s Ravindra Sharma & Associates, New Delhi, the Statutory Auditor have confirmed their eligibility to the effect that their reappointment would be within the prescribed limits under the Companies Act, 2013, and that they are not disqualified for re-appointment.

The Report of the Statutory Auditors for the year ended 31st March 2017 does not contain any qualification, reservation or adverse remark except the emphasis of matters given as below;

- a)) During the Financial Year company has not provided depreciation on the assets situated at unit 126, 127, 129E, NSEZ Noida and B-8, 9, 10, Hosiery, complex, Phase-II, Noida, the above units exclusively mortgage to ICICI Bank and said bank has taken physical possession of the properties under Securitization of and Recovery of Financial Assets and Enforcement of Security Interest Act 2002 (SARFAESI).
- b)) During the Quarter ended March, 2017, the company has not provided for Interest on borrowings from Bank and Financial Institutions and also reversed the interest provided on adhoc basis on borrowings from last three quarters for the financial year 2016-17, as the lender of the company had taken possession of assets of the company under section 13(4) of the Securitizations and Reconstructions of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI), the above has the effect of understatement of loss of the company for the year ended March, 31st 2017 to the extent of interest borrowing not provided for.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed M/s N.G. & Associates, Company Secretaries, New Delhi to undertake the Secretarial Audit of the Company. The report of the Secretarial Auditor is attached as **Annexure E** to this Report.

**COST AUDITOR**

In terms of the provisions of the Companies Act, 2013, and Rule 4 (2) of the Companies (Cost Records and Audit) Rules, 2014, the applicability of cost audit required when turnover of the company in preceding financial year exceeds Rs.100 crores or more. Since the Sales turnover of the company in preceding financial year 2016-17 was Rs.2.71 Crores, the appointment of cost auditors are not required for the financial year 2017-18

MANAGEMENT DISCUSSION AND ANALYSIS

A Management Discussion and Analysis Report, highlighting the performance and prospects of the Company's energy and environment segments including details if subsidiaries catering to the respective business, is attached as **Annexure H**.

LISTING OF STOCK EXCHANGES

The Company's equity shares are listed on two stock exchanges- National Stock Exchange of India Ltd (NSE- Scrip Code – “HANUNG”), and Bombay Stock Exchange Ltd (BSE- Scrip Code”532770”) and has paid the listing fees for financial year 2017-18.

PUBLIC DEPOSITS

The Company had no unpaid / unclaimed deposit(s) as on 31st March, 2017. During the year under review, your Company did not accept any deposits within the meaning of provisions of Chapter V – Acceptance of Deposits by Companies of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014. It has not accepted any fixed deposits during the year.

CODE OF CONDUCT COMPLIANCE

Pursuant to Schedule V D of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the declaration signed by the Chairman and Managing Director affirming compliance with the code of conduct by the Director's and senior management personnel, for the financial year 2016-2017 is annexed as **Annexure B**.

REGISTRAR AND SHARE TRANSFER AGENT

M/s Karvy Computershare Private Limited is the Registrar and Share Transfer Agent of the Company. Details of the depository system and listing shares are given in a part of the “Additional Shareholders Information”, which forms a part of the Corporate Governance Report and is attached herein with.

TRANSFERRED TO THE INVESTOR EDUCATION AND PROTECTION FUND

Under provisions of Section 124 of the Companies Act, 2013 read with rules made there under the amount of dividend declared for the financial year 2008-09 amounting to Rs. Rs 1,01,435/- due for refund being unclaimed and unpaid for 7 years has been transferred to the Investor Education and Protection established by the Central Government.

WEBSITE DISCLOSURES

In compliance with the provisions of the Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, the Company has been maintaining an active website with adequate disclosures and information on the Company, its financials, its policies and other disclosures. Any member desiring to obtain any information on the Company can visit the website www.hanung.com or write the Company Secretary at sunietanthakur@hanung.com.

CORPORATE SOCIAL RESPONSIBILITY

In compliance with the provisions of the Section 135 of the Companies Act, 2013, read with rules, the Company has constituted a CSR Committee. The details of the composition of the Committee and meetings conducted thereby along with CSR Policy and the CSR spending by the Company are stated in the Corporate Governance Report.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

Internal Audit plays a key role in providing an assurance to the Board of Directors with respect to the Company having adequate Internal Control Systems. Such system provides, among other things, gives reasonable assurance of recording the transactions of its operations in all material respects and of providing protection against significant misuse or loss of Company's assets. The details about the adequacy of internal financial controls are provided in the Management Discussion and Analysis Report.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE POLICY

The Company has in place a Prevention of Sexual Harassment policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress the complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year 2016 - 2017, no complaints were received by the Company related to sexual harassment.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

As per Sec. 177(9) of the Companies Act, 2013, applicable Rules and the Listing Agreement, the Company has established a vigil mechanism (whistle blower policy) for their Directors and employees to report their genuine concerns. The vigil mechanism provide for adequate safeguards against victimization of persons who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee in accordance with the Companies Act, 2013, applicable rules and Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the trading window is closed. The Board of Directors of the Company are responsible for implementation of the code. All Directors and the designated employees have confirmed compliance with the code.

COMPLIANCE UNDER COMPANIES ACT, 2013

Pursuant to Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, your Company complied with the compliance requirements under Companies Act, 2013. The specific compliance are enumerated below:

a) Extract Of Annual Return

In Accordance with Section 92(3) of the Companies Act, 2013, read with rules 12(1) of Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in Form MGT-9 is attached herewith as **Annexure-G**.

b) Board Meeting Held During The Year

During the year, 8 meetings of the Board of Directors were held. The details of the meetings are furnished in the Corporate Governance Report which is attached as **Annexure-A** to this Report.

c) Directors' Responsibility Statement

To the best of our knowledge and belief and according to the information and explanation obtained by us, your Directors make the following statements in the terms of Section 134(3) (c) of the Companies Act, 2013 :

1. that in the preparation of the annual financial statements for the year ended March 31st, 2017, the applicable Accounting Standards had been followed along with proper explanation relating to material departures.



2. that for the financial year ended March 31st, 2017, such accounting policies as mentioned in the notes to the financial statements have been applied consistently and made judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company and of the Profit and Loss of the Company for the year ended March 31st, 2017.
3. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. that the annual financial statements have been prepared on a going concern basis.
5. that the proper internal financial controls were followed by the Company and that such internal financial controls are adequate and were operating effectively.
6. that the proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

d) Reporting of Frauds

There have been no instances of fraud reported by the statutory auditors under Section 143(12) of the Companies Act, 2013, and rules framed there under, either to the Company or to the Central Government.

e) Declaration by Independent Directors

All the Independent directors have submitted their disclosure to the Board that they fulfill all the requirements as to qualify for their continuity of appointment as an Independent Director under the provisions of the Companies Act, 2013 as well as Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015

f) Nomination and Remuneration Policy

The details of the Nomination and Remuneration Policy are stated in the Corporate Governance Report.

g) Auditors Qualification System On Accounts

Notes to the accounts, as referred in the Auditor's report, are self-explanatory and consistently followed and therefore do not call to any further comments and explanations.

h) Particulars Of Loans, Guarantees Or Investments

The Company has not given any loans or made any investments covered under the provisions of Section 186 of the Companies Act, 2013, read with rules.

i) Particulars of Contracts or arrangements with Related Parties

During the year under review all the related party transactions were entered into by the Company in ordinary course of business and on arm's length basis.

j) State of Company's Affairs

The State of the Company Affairs have been explained in the Directors Report.

k) Amounts to be Transferred to General Reserve

Due to heavy losses no amounts are proposed to be transferred to General Reserves.

l) Material Changes and Commitments between the date of Balance Sheet and the date of report



There were no Material Changes and commitments affecting the financial position of the Company which have occurred between the end of financial year of the Company to which the financial statements relates and the date of report, except disclosed elsewhere in the report.

m) Conservation Of Energy And Technology Absorption

The particulars prescribed under Section 134 of the Companies Act, 2013, read with rule 8 (3) of the Companies (Accounts) Rules, 2014, relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are furnished as follows:-

A. INFORMATION AS REQUIRED UNDER SECTION 134 OF THE COMPANIES ACT 2013 READ WITH RULE 8 (3) OF THE COMPANIES ACCOUNT RULES 2014

Foreign Exchange Earnings and Outgo:- The foreign exchange earning/outgo during the year are as under:		
	(Rs. In Lacs)	
Particulars	2016-17	2015-16
Foreign Exchange Earnings:	26.69	918.15
Foreign Exchange Outgo:	9.22	138.59

FORM A

(See rule 2)

Disclosure of Particulars with respect to Conservation of Energy Power and Fuel Consumption:		
Particulars	Year ended on 31.03.2017	Year ended on 31.03.2016
1. Electricity		
a. Purchase (Units in lacs)	68.06	113.55
b. Total Amount (Rs. In lacs)	416.81	676.39
c. Rate / Unit (Rs.) (Avg)	6.12	5.96
2. Own Generation(Diesel)		
a. Purchase- (Units in lacs)	1.18	10.01
b. Total Amount (Rs. In lacs)	17.12	146.30
c. Rate / Unit (Rs.)	14.50	14.61

B. TECHNOLOGY ABSORPTION

Efforts made in Technology Absorption as per Form 'B' below.

**FORM-B**

Disclosure of Particulars with respect to Technology Absorption Research and Development (R&D):		
S. No	Particulars	Details
1.	Specific areas in which R&D carried out by the Company:	Related to the main objects of the Company
2.	Benefits derived as a result of the above R&D.	Optimum Cost Effectiveness
3.	Future plan of action	Adoption of in house developed techniques
4.	Expenditure on R&D	The R & D activity of the Company forms part of the project cost and has not been quantified separately.
	a. Capital	
	b. Recurring	
	c.. Total	
	D Total R&D expenditure as a percentage of total sales	

n) Risk Management Policy

In compliance of Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 related to corporate governance, Risk Management plan of the company recognizes that the Enterprise Risk Management is an integral part of good management practice. Hence Risk Management is an essential element in achieving business goals. In terms of Policy, the Company is committed for managing the risk in a manner appropriate to achieve its strategic objectives. The Company will keep investors informed of material changes to the Company's risk profile through its periodic reporting obligations and ad hoc investor presentations. The Company reviews and reports annually on its compliance of Corporate Governance Principles and recommendations for betterment, which include Risk Management and the internal control framework. Accordingly the Company has framed procedures to inform members of Board of Directors about risk assessment and minimization procedures.

b) Board Evaluation

Pursuant to the provisions of the Companies Act, 2013, and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an evaluation of its own performance and all Directors (including the Independent Directors) individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and other Committees of the Board

At the meeting of the Board, all the relevant factors that are material for evaluating the performance of individual Directors, the Board and its various Committees, were discussed in detail. A structured questionnaire each in line with circular issued by SEBI, for evaluation of the Board, its various Committees and individual Directors, was prepared and recommended to the Board by the Nomination & Remuneration Committee, for doing the required evaluation, after taking into consideration the inputs received from the Directors, covering various aspects of the Board's functioning, such as adequacy of the composition of the Board and its Committees, execution and performance of specific duties, obligations and governance, etc.

A separate exercise was carried out to evaluate the performance of individual Directors, including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority Shareholders, etc.



The performance evaluation of the independent Directors was carried out by the entire Board excluding the Director being evaluated. The performance evaluation of the Chairman and non-independent Directors was also carried out by the Independent Directors at their separate meeting. The Directors expressed their satisfaction with the evaluation process.

DISCLOSURE PURSUANT TO COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2016

- **Details of Employees in receipt of yearly remuneration of Rs. One Crore Two Lacs or more:-**
There were no employees who had received yearly remuneration of or in excess of Rs. One Crore Two Lacs.
- **Details of Employees in receipt of monthly remuneration of Rs. Eight Lac Fifty Thousand or more:-** There were no employees who had received monthly remuneration of or in excess of Rs. Eight Lac Fifty Thousand.

CAUTIONARY STATEMENT

Statements made in the Report, including those stated under the caption “Management Discussion and Analysis” describing the Company's plans, projections and explanations may constitute “forwards looking statement” within the meaning of applicable laws and regulations. Actual results may differ materially from those either expressed or implied.

ACKNOWLEDGEMENTS

Your Directors would like to place on record their sincere thanks to the Company's clients, vendors, investors, and bankers for their continued support to the Company during the year. The Directors wish to place on record their appreciation of the contributions made by employees at all levels.

We thank the Government of India, State Government and other Government agencies for their support and look forward to their continued support in future.

**By order of the Board
For Hanung Toys and Textiles Limited**

Date : August, 10th, 2017

Place: Noida

Ashok Kumar Bansal
Chairman-cum-Managing Director
DIN 00028488

Annexure-A

A. REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED MARCH, 31ST, 2017 COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The company provides detailed information on various issues concerning the company's business and financial performance to its shareholders. The Company believes that good Corporate Governance is a continuous process and strives to improve the Corporate Governance practices to meet shareholder's expectations. The Company is committed to follow good practices which adhere Corporate Governance in the organization signifying transparency, disclosure and independent supervision to increase the value to the stakeholders. The Company is committed to transparency in all its dealings



and places high emphasis on business ethics. The basic philosophy of Corporate Governance in the Company is to achieve business excellence and dedication thereby increasing long-term shareholder value, keeping in view the interests of the Company's stakeholders.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regard to corporate governance.

In addition to the compliance with the regulatory requirements, the Company endeavors to ensure that highest standards of ethical and responsible conduct are met throughout the organization.

A certificate from the Statutory Auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015 is annexed to this report as Annexure C.

B. BOARD COMPOSITION AND PARTICULARS OF DIRECTORS

The Board of Directors along with its committees provides leadership and guidance to the Management and direct and supervises the performance of the company, thereby enhancing stakeholder value. The Board has a fiduciary relationship in ensuring that the rights of all stakeholders are protected. Your Company has balanced and diverse board of Directors, which primarily take care of the business needs and stakeholder interest. The Non Executive Directors including independents directors in the board are experienced, competent and eminent personalities with varied knowledge and experience in manufacturing, marketing, finance, banking, legal, management and commercial administration.

The Composition of the Board also complies with provisions of the Companies Act, 2013, the Articles of Association of the Company and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (Listing Regulations). As on 31.03.2017, the board has strength comprises of Four Directors with a combination of executive and non-executive directors. Mr. Ashok Kumar Bansal is Chairman-cum-Managing Director, Mr. Mukesh Kumar is Non-Executive Non Independent Director, Mr. Abhishek Monu Kaushik, and Mrs. Deepika Gera are Non Executive - Independent Directors, who constitute 50% of the Board's composition.

None of the Directors of the Board is a member of more than 10 committees and Chairperson of More than 5 Committees Committee being Audit committee, Stakeholders Relationship committees, as per regulation 26(1) the Listing Regulations), across all the companies in which he/she is a director. The Necessary disclosure regarding committee positions have been made by all the directors.

None of the directors hold office in more than 20 companies and in more than 10 public companies. None of the independent directors serve as an independent director in more than 7 listed companies. All Directors are also in compliance of the limit of independent directorship of listed companies as prescribed in Regulation 25 (1) of the Listing Regulations. The Managing Director does not serve as independent director in any listed company.

a. Number of Board Meetings held and the dates of the Board Meetings

During the financial year 2016-17, Eight meetings of the Board of Directors were held. The dates of the meetings were as follows 30th May, 2016, 27th July, 2016, 13th August, 2016, 25th October, 2016, 10th November, 2016, 14th November, 2016 and 14th February, 2017 and 29th March, 2017. Other relevant details are stated as follows:-



S. No	Name of the Director	Executive/ Non-Executive and Promoter/ Independent	No. of Directorship in all Companies (including HTTL)	No. of Membership in Committees (Including HTTL)	Attendance in Committee Meetings	No. of Board Meetings Attended	Attendance at the Last Annual General Meeting
1	Mr. Ashok Kumar Bansal (DIN No. 00028488)	Executive-Chairman & Managing Director	9	3	3	8	Yes
2	**Mrs. Anju Bansal (DIN No. 00028508)	Non Executive Director	9	Nil	Nil	2	Yes
3	Mr. Abhishek Monu Kaushik (DIN No. 07515357)	Non Executive & Independent Director	1	3	3	8	Yes
4	Mrs. Deepika Gera (DIN No. 00145602)	Non Executive & Independent Director	7	3	3	6	Yes
5	Mr. Mukesh Kumar (DIN No. 07231118)	Non Executive & Non Independent Director	1	Nil	Nil	2	NA

** Mrs. Anju Bansal has resigned from the Board and Board has accepted her resignation in the meeting of Board of Director held on 14th November 2016.

None of the Non-Executive, Independent Directors have any pecuniary relationship or transactions with Company or its Group nor holds any shares in the Company except Mr. Ashok Kumar Bansal who holds 26,51,418 equity shares (up to 31.03.2017)

b) Appointment & Reappointment of the directors

Pursuant to Section 152 of the Companies act, 2013 Mr. Mukesh Kumar (DIN No. 07231118) retire by rotation as director at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. The Board recommends his re-appointment.

c) Availability of Information to the Members of the Board

The Board has complete access to any information within the Company and to any of our employees. At meetings of the Board, it invites the auditors and managers who can provide additional insights into the items being discussed. The information supplied to the Board meetings include:

- Minutes of Audit Committee and Share Transfer / Investor Grievances Redressal Committee, as well as abstracts of circular resolutions passed.
- General Notice of interest of Directors.
- Annual / quarterly budgets, capital budgets and updates.
- Quarterly / Half Yearly / Annual Financial Results.
- Materially important litigations, show cause notices, demand, prosecution and penalty notices.
- Details of foreign exchange exposure and the steps taken by the management to limit the risks of adverse exchange rate movement.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

d) Materially significant related party transactions

All transactions entered into with related parties as defined under the Companies Act, 2013 during the financial year, were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially



significant transactions with the related parties during the financial year, which were in conflict with the interest of the Company and hence, enclosing of Form AOC-2 is not required. Suitable disclosure as required by the Accounting Standard (AS 18) has been made in the notes to the Financial Statements. All Related Party Transactions are placed before the Audit Committee. Prior omnibus approval of the Audit Committee is obtained on a yearly basis for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee for their approval, on a quarterly basis.

The policy on Related Party Transactions as approved by the Board has been uploaded on the Company's website.

None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

e) Institutionalized Decision Making Process

With a view to institutionalize all corporate affairs and set up systems and procedures for advance planning for matters requiring discussion/ decisions by the Board, the Company has defined guidelines for the meetings of the Board and Committees thereof. These Guidelines seek to systematize the decision making process at the meetings of the Board / Committees in an informed and efficient manner.

f) Information to Board

Agenda and notes on agenda are circulated to the Directors, in advance, in the defined agenda format. All material information is incorporated in the agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the agenda, the same is tabled before the meeting with specific reference to this effect in the agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted.

g) Recording Minutes of Proceedings at Board and Committee Meetings

The Company Secretary records the minutes of the proceedings of each Board and Committee meeting. Draft minutes are circulated to all the members of the Board / Committee for their comments. The finalized minutes of proceedings of a meeting are signed by the Chairman of respective meetings and entered in the Minutes Book within 30 days from the conclusion of that meeting.

h) Post Meeting Follow-up Mechanism

The Guidelines for Board and Committee meetings facilitate an effective post meeting follow-up, review and reporting process for the decisions taken by the Board and Committees thereof. Action taken report on the decisions of the previous meetings(s) is placed at the immediately succeeding meeting of the Board/Committee for noting thereon.

C. BOARD COMMITTEES

Presently, the Board has four committees: the Audit Committee, Share Transfer / Investor Grievances Redressal Committee and Nomination and Remuneration Committee and the CSR Committee. Normally, the Committees meet four times in a year, once in each quarter. The minutes of these Committee Meetings are submitted to the Board for approval / confirmation.

1. AUDIT COMMITTEE

• Composition of Committee

The Audit Committee of the Company comprise of 3 Directors and the Company Secretary acts as the Secretary of the Committee. The Composition and qualifications of the Committee Members are stated as follows:-



S. No	Name	Category	Qualifications
1	Mr. Abhishek Monu Kaushik (Chairman)	Independent-Non Executive Director	Chartered Accountant
2	Mrs. Deepika Gera (Member)	Independent-Non Executive Director	Company Secretary
3	Mr. Ashok Kumar Bansal (Member)	Managing Director	Chartered Accountant & Company Secretary

Each member of the Audit Committee is qualified professionals to understand fundamental financial statements as required under Section 149 of the Companies Act, 2013 read with rules, as updated by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr. Abhishek Monu Kaushik (Chairman of the Committee) is a Chartered Accountant by profession, a financial expert, as updated by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

● **Attendance of Members in the Meeting of Audit Committee :**

During the financial year under reference Four (4) meetings of the members of Audit Committee were held. The dates of meeting were as follows 30th May, 2016, 13th August, 2016, 14th November, 2016, and 14th February, 2017.

S. No	Name	No. of Meetings held	No. of Meeting Attended
1	Mr. Abhishek Monu Kaushik	(4)	(4)
2	Mrs. Deepika Gera	(4)	(4)
3	Mr. Ashok Kumar Bansal	(4)	(4)

Terms of Reference

The terms of reference of Audit Committee include the matters under Section 177 of the Companies Act, 2013, read with rules and Schedule II-C under Regulation 18(3) of the SEBI (Listing Obligations & Disclosure Requirements), 2015. The terms of reference of Audit Committee are briefly described below:-

- a) Oversight (supervision, direction and control) of the Company's financial reporting
- b) process and the disclosure of its financial information to ensure that the financial statement are correct, sufficient and credible.
- c) Recommendation for appointment, reappointment, ratification, remuneration and terms appointment of Statutory Auditors.
- d) Discussion with the Auditors periodically about the internal control systems and the scope of audit including observations of the Auditors.
- e) Reviewing, with the Management, the Annual/Quarterly Financial Statements and Auditor's Report/Limited Review Report thereon before submission to the Board of Directors approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement forming part of the Board's Report in terms of clause c of sub-section (3) of Section 134 of the Companies Act, 2013 during preparation of Annual Report of the Company;
 - Any changes in accounting policies and practices.
 - Major accounting entries based on exercise of judgment by management.
 - Qualifications in draft report.
 - Significant adjustments arising out of audit.



- Going concern assumption.
- Compliance with accounting standards.
- Compliance with Stock Exchange and legal requirements concerning financial statements.
- Any related party transactions, transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives, etc., that may have potential conflict with the interests of Company at large.
- Ensure compliance of internal control systems.
- Investigation into any of the afore-stated matters or as may be referred to by the Board of Directors.
- Review of the Auditors' Report on the Financial Statements and to seek clarifications thereon, if required, from the Auditors.
- Review of weaknesses in Internal Controls, if any and make recommendations relating thereto to the Board of Directors so as to ensure compliance of internal control systems.
- To act as a link between the Statutory and the Internal Audit Team and the Board of Directors.
- Any other matter which the Board of Directors may at its discretion assign to the Committee from time to time.

2. STAKEHOLDER RELATIONSHIP COMMITTEE:

Composition of Committee

The Stakeholder Relationship Committee of the Company comprises of three (3) Directors and the Company Secretary acts as the Secretary of the Committee. The Composition and qualifications of the Committee Members are stated as follows:-

S. No	Name	Category	Qualifications
1	Mr. Abhishek Monu Kaushik (Chairman)	Independent-Non Executive Director	Chartered Accountant
2	Mrs. Deepika Gera (Member)	Independent-Non Executive Director	Company Secretary
3	Mr. Ashok Kumar Bansal (Member)	Managing Director	Chartered Accountant & Company Secretary

Each member of the Stakeholder Relationship Committee is a qualified professional and with adequate position and powers to redress and resolve the queries of the shareholders and provide necessary information

Attendance of Members in the Meeting of Stakeholder Relationship Committee:

During the financial year under reference Four (4) meetings of members of Stakeholder Relationship Committee were held. The dates of meeting were as follows 30th May, 2016, 13th August, 2015, 14th November, 2016, and 14th February, 2017.

S. No	Name	No. of Meetings held	No. of Meeting Attended
1	Mr. Abhishek Monu Kaushik	4	4
2	Mrs. Deepika Gera	4	4
3	Mr. Ashok Kumar Bansal	4	4

**Terms of Reference**

The terms of reference of the Stakeholder Relationship Committee have been formulated in line with the requirements as stated under Section 178 of the Companies Act, 2013 and rules framed there under and in compliance with Schedule II-D as stated under Regulation 20(4) of the SEBI Listing Obligation and Disclosure Requirements) Regulations, 2015. The Committee has the mandate to review and redress the shareholder grievances viz. non-receipt of refund orders, transfer and transmission of shares, non-receipt of Annual Reports, non-receipt of declared dividends etc., and redressal thereof.

- Investor Complaint Status**

The following table shows the nature of complaints / correspondence received from the shareholders / investors during the financial year 2016-17, all of which have been resolved and at the end of year, there were no complaints pending unresolved/ unattended as on March 31st, 2017:-

S. No	Source of the Complaint	Status of the Complaints		
		Received	Resolved	Pending
1	Direct to the Company/RTA	11	11	Nil
2	SEBI	Nil	Nil	Nil
3	Stock Exchanges- NSE & BSE	2	2	Nil
4	Investor Association	Nil	Nil	Nil
	TOTAL	13	13	Nil

3. NOMINATION AND REMUNERATION COMMITTEE

- Composition of Committee**

The Nomination and Remuneration Committee comprise of three (3) Directors and the Company Secretary acts as the Secretary of the Committee. The Composition and qualifications of the Committee Members are stated as follows:-

S. No	Name of the Director	Category	Qualifications
1	Mr. Abhishek Monu Kaushik (Chairman)	Independent-Non Executive Director	Chartered Accountant
2	Mrs. Deepika Gera (Member)	Independent-Non Executive Director	Company Secretary
3	Mr. Ashok Kumar Bansal (Member)	Managing Director	Chartered Accountant & Company Secretary

- Attendance of Members in the Meeting of Nomination and Remuneration Committee :**

During the financial year under reference Four (4) meetings of members of Nomination and Remuneration Committee were held during the financial year 2016-17. The dates of meeting were as follows, 30th May, 2016, 13th August, 2016, 14th November, 2016, and 14th February, 2017.

S. No	Name	No. of Meetings held	No. of Meeting Attended
1	Mr. Abhishek Monu Kaushik	4	4
2	Mrs. Deepika Gera	4	4
3	Mr. Ashok Kumar Bansal	4	4



- **Terms of Reference**

The terms of reference of the Nomination and Remuneration Committee have been formulated in line with the requirements of Section 178 of the Companies Act, 2013 and rules framed there under and as stated under Regulation 19(4) -Schedule II-D of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Brief Terms of reference are as under:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;
- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- Devising a Policy on diversity of Board of Directors;
- Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.

- **Remuneration of Directors and other Key Managerial Personnel's**

The following directors have been paid Salary and / or sitting fee for attending meeting of the Board of Directors for 2016-17:

(Rs. in lacs)

S. No	Name	Designation	Sitting Fees	Salary
1	Mr. Ashok Kumar Bansal*	Chairman & Managing Director	Nil	12.00
2.	Mrs. Anju Bansal**	Non Independent -Non Executive Director	0.15	Nil
3.	Mr. Abhishek Monu Kaushik	Independent-Non Executive Director	0.30	Nil
4.	Ms. Deepika Gera	Independent-Non Executive Director	0.30	Nil
5.	Mr. Mukesh Kumar	Non Executive Director	0.20	Nil
6	Mr. Sunil Mittal	Chief Financial Officer	Nil	10.80
7	Mr. Lalit Chawla***	Company Secretary	Nil	9.50

The remuneration to the Managing Director was approved vide Special Resolution passed in the 23rd Annual General Meeting of the Company held on 18th September, 2013 for a period of 5 Years up to 2018. However during the financial year 2013-14 and 2014-15 under turbulent times he withdrew to take any remuneration from the Company. During the financial year 2016-17 the remuneration as stated above (under the limits as stated in the Special Resolution passed in the 23rd Annual General Meeting of the Company) was paid to the Managing Director of the Company.

** Mrs. Anju Bansal has resigned from the Board and Board has accepted her resignation in the meeting of Board of Director held on 14th November 2016.

*** Mr. Lalit Chawla, company secretary has resigned on 03.06.2017 and Ms. Sunita Thakur was appointed as a company secretary of the company on 19.06.2017.

**REMUNERATION POLICY**

The Remuneration Policy of the Company is performance driven and is structured to motivate the employees, recognize their merits and achievements, in order to retain the talent in the Company and stimulate excellence in their performance. However during the financial year there was no increment in the remuneration of the employees. The Nomination and Remuneration Policy of the Company is stated on the website of the Company www.hanung.com.

CORPORATE SOCIAL RESPONSIBILITIES COMMITTEE (CSR COMMITTEE)**Composition of Committee**

The CSR Committee of the Company comprises of 3 Directors and the Company Secretary acts as the Secretary of the Committee. The Composition and qualifications of the Committee Members are stated as follows:-

Sno	Name	Category	Qualifications
1	Mr. Abhishek Monu Kaushik (Chairman)	Independent-Non Executive Director	Chartered Accountant
2	Mrs. Deepika Gera (Member)	Independent-Non Executive Director	Company Secretary
3	Mr. Ashok Kumar Bansal (Member)	Managing Director	Chartered Accountant & Company Secretary

- BRIEF OUTLINE OF THE COMPANIES CSR POLICY**

At HTTL, we believe that Corporate Social Responsibility (CSR) is the way to conduct business that achieves a balance or integration of economic, environmental and social imperatives while at the same time addressing stakeholder expectations. Under its CSR policy, the Company affirms its commitment of seamless integration of marketplace, workplace, and environment and community concerns with business operations. Hanung uses CSR as an integral business process in order to support sustainable development and constantly endeavors to be a good corporate citizen and enhance its performance on the triple bottom line.

- OBJECTIVES OF THE CSR POLICY**

- Ensure increased commitments at all levels in the organization, to operate its business in an economically socially and environmentally sustainable manner while recognizing the interest of all its stakeholder
- Demonstrate commitment to the common good through responsible business practices and good governance
- To directly or indirectly take up programs that benefit the Society at large and communities in and around its work center over a period of time, in enhancing the quality of life and economic well being of the local populace.

- CSR Contribution during the financial year 2016-17**

The Company is suffering from heavy losses for the last 3 years and due to inadequacy of profits under provisions of section 198 of the Companies Act, 2013 read with rules, no contribution has been made to the CSR Activities under provision of Section 135 of the Companies Act, 2013 read with rules.

- Separate Meeting of Independent Directors**

As stipulated by the code for independent directors in schedule IV of the act and regulation 25 of the listing regulations, a separate meeting of the independent directors of the company was held on 8th February, 2017.



D. CODE OF BUSINESS CONDUCT AND ETHICS FOR DIRECTORS AND SENIOR MANAGEMENT

In terms Clause 17 of the SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015 (applicable w.e.f 01.12.2015) the Company had adopted a code of conduct for the Board of Directors and senior management personnel of the Company. The Code has been circulated to all the members of the Board and Senior Management Personnel and the compliance of the same is affirmed annually. The declaration signed by the Managing Director of the Company forms part of this report and attached as Annexure-B.

E. GENERAL BODY MEETINGS AND EXTRA ORDINARY GENERAL MEETINGS

Details of last Annual General Meetings and Extra Ordinary General Meetings of the Company are detailed below:

S. No	Type of Meeting	Day Date & Time	Venue/Location
1	26 th Annual General Meeting	Friday, September 20 th , 2016, 11.30 A.M.	Air Force Auditorium, Subroto Park, New Delhi -110010
2	25 th Annual General Meeting	Friday, September 18 th , 2015, 11.30 A.M.	Air Force Auditorium, Subroto Park, New De.lhi -110010
3	24 th Annual General Meeting	Friday, October 31 st , 2014, 11.00 A.M.	Air Force Auditorium, Subroto Park, New Delhi -110010

*No Extra ordinary General Meeting was held during the financial year 2016-17 and no resolution passed through Postal Ballots during the financial year 2016-17.

F. CEO/CFO CERTIFICATION

In accordance with the Regulation 17(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, requisite certificate from the CEO /CFO of the Company attached as Annexure D.

G. DISCLOSURES

- (i) Disclosures on Materially Significant Related Party Transactions
The related party transactions during the year ended March 31, 2017 have been listed in the notes to the accounts. Shareholders may please refer the same.
- (ii) Details of non-compliance by the Company and penalties and strictures imposed on the Company by the Stock Exchanges, SEBI or any statutory authorities or any member related to capital markets.

There has been no non-compliance of any legal requirements nor have there been any strictures imposed by any stock exchange or SEBI or ROC etc. on any matters relating to the capital market since the date of listing of shares on the stock exchanges during the financial year 2016-17.

H. MEANS OF COMMUNICATION

The quarterly / half yearly and annual financial results are generally published in The Pioneer and Veer Arjun (English & Hindi). These results are also posted on the Company's website at www.hanung.com.

Other information like shareholding pattern (quarterly), Corporate Governance Report, Memorandum, Annual Reports etc. are also posted on our website as soon as they are released / published.

**I. MANAGEMENT DISCUSSION & ANALYSIS**

The Management Discussion & Analysis is given separately in the Annual Report.

K COMPLIANCE WITH NON-MANDATORY REQUIREMENTS OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENT) REGULATIONS, 2015

The SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 requires us to obtain a certificate from either the Auditors or Practicing Company Secretary regarding compliance of conditions of Corporate Governance as stipulated in the Clause and annex the certificate with the Directors' Report. A copy of this certificate received from the Statutory Auditors of the Company is attached as Annexure C.

The Regulation 27(1) read with Schedule II-E of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 that the non-mandatory requirements may be implemented as per the Company's discretion. However, the disclosure of compliance of mandatory requirements and non-compliance of non-mandatory requirements shall be made in the section on Corporate Governance in the Annual Report. The status / extent of compliance of non mandatory requirements are as follows:-

S. No.	Non Mandatory Provision	Status
1	Maintenance of Chairman's Office	Not Applicable as Chairman is executive Managing Director of the Company
2	Independent Directors tenure not to exceed nine	Not adopted
3	Remuneration Committee	Already constituted. Details given elsewhere in this report
4	Shareholders rights: Quarter /Half yearly and annual financial performance and summary of significant events may be sent to each household of shareholders	The said information is available on Company's website
5	Audit qualifications: Company may move towards regime of unqualified financial statements.	Adopted
6	Training of Board Members	All Board Members are experts in their respective fields and are well aware of Company's business model and risk profile. However adequate training on the latest development is being provided to all the Directors.
7	Mechanism for evaluating non-executive Board Members	Not adopted

L. GENERAL SHAREHOLDERS' INFORMATION**1. ANNUAL GENERAL MEETING**

Day, date and time : Tuesday, 26th September 2017, AT 11.30 A.M.
 Venue : at Muktaadhara Auditorium, Banga Sanskriti Bhawan
 Trust 18-19, Bhai Veer Singh Marg, Gole Market
 New Delhi-110001

**2. SHAREHOLDING OF NON-EXECUTIVE DIRECTORS:-**

None of the Non -Executive Director holds any shares of the Company except Mrs. Deepika Gera who hold 5500 equity shares as on 31st March 2017.

3. FINANCIAL CALENDAR (tentative)

Indicative calendar of events for the financial year 2017-2018 excluding Extraordinary General Meetings, if any, is as under:

First Quarter Financial Results (June 2017)	:	August, 2017
Second Quarter Financial Results (September 2017)	:	November, 2017
Third Quarter Financial Results (December 2017)	:	February, 2018
Fourth Quarter / Audited Financial Results (March 2018)	:	May, 2018
AGM for Financial year	:	September, 2018

4. BOOK CLOSURE

The Company's Register of Members and Share Transfer Books will remain closed for the purpose of Annual General Meeting from 19th September 2017 to 26th September 2017 (both days inclusive).

5. LISTING ON STOCK EXCHANGES

The ISIN for the Company's Equity Shares in De-mat Form is INE648H01013. The Company's equity shares are listed at BSE/ NSE and Addresses of the Stock Exchanges are as follows:-

Scrip Code- BSE- 532770 Bombay Stock Exchange Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, MUMBAI – 400 001, Maharashtra; Phones : 91 - 22 - 22721233 / 34; Fax : 91 - 22 - 22723677 / 22722082	Scrip Code NSE- HANUNG National Stock Exchange of India Limited (NSE) Exchange Plaza, 5th Floor, Bandra (E), MUMBAI 400 051, Maharashtra; Phones : 91 -22 26538100; Fax : 91 - 22 - 26598237/ 38
Depository Connectivity	NSDL and CDSL
Listing Fee	Paid for both the above exchanges for the year 2017-18
Registered Office	E-93, 3rd Floor, Greater Kailash Enclave, Part-I, New Delhi-110048 Phones : 91 - 11- 26241572; Fax : 91 - 11 - 26241822 Email: investor@hanung.com; admin@hanung.com;
Corporate Identification Number	L74999DL1990PLC041722

**3. STOCK MARKET DATA****a) Monthly High And Low Along With Volume Of Shares**

S. No	Month	Bombay Stock Exchange(BSE)			National Stock Exchange(NSE)		
		High	Low	Volumes	High	Low	Volumes
1	April, 2016	9.00	7.26	145680	8.75	7.20	414898
2	May, 2016	8.40	6.70	173755	8.00	6.50	437391
3	June, 2016	8.50	6.10	807414	8.65	6.10	3884180
4	July, 2016	7.48	5.01	3534869	7.55	5.00	10379749
5	August, 2016	5.86	4.71	517338	5.85	4.65	1580489
6	September, 2016	6.13	4.60	1479489	6.15	4.55	3073407
7	October, 2016	7.95	4.79	2029495	7.90	5.00	5056958
8	November, 2016	8.55	5.35	2823801	8.50	5.65	6284599
9	December, 2016	6.40	4.25	716033	6.20	4.15	2842611
10	January, 2017	6.00	4.95	339893	5.90	5.00	1207723
11	February, 2017	5.41	4.72	635408	5.60	4.70	2375613
12	March, 2017	4.91	3.96	385464	4.90	4.25	1506508

b) Market Capitalization

The market capitalization of the Company as on March 31st, 2017 is Rs.14.94 Crores on National Stock Exchange (NSE) and Rs. 13.92 Crores on Bombay Stock Exchange Ltd (BSE).

7. SHAREHOLDING PATTERN

Names of shareholders holding more than 1% with number of shares as on March 31st, 2017.

S. No	Names of Shareholder with 1% or more Shareholding as on 31.03.2017	No. of Shares Held
1	Praneet Softech Private Limited	4244000
2	Ashok Kumar Bansal	2651418
3	Karvi Stock Broking Limited	328647
	TOTAL	72,24,065

st

**8. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31 , 2017(Amount wise)**

Slno	Category (Amount)	No.of Holders	% To Holders	Amount(Rs.)	% To Equity
Slno	Category (Amount)	No.of Holders	% To Holders	Amount(Rs.)	% To Equity
1	1 - 5000	22220	79.75	24860360.00	8.07
2	5001 - 10000	2326	8.35	19799840.00	6.42
3	10001 - 20000	1444	5.18	22793810.00	7.40
4	20001 - 30000	583	2.09	15186710.00	4.93
5	30001 - 40000	287	1.03	10468890.00	3.40
6	40001 - 50000	249	0.89	11961640.00	3.88
7	50001 - 100000	430	1.54	32476890.00	10.54
8	100001 & Above	324	1.16	170679610.00	55.37
	TOTAL:	27863	100.00	308227750.00	100.00

9. SHARE TRANSFER PROCESS

The Company's shares being in compulsory demat form are transferable through the depository system. The shares in physical form are processed by the Registrar and Transfer Agents and approved by the Share Transfer / Investor Grievances Redressal Committee. Share transfer process is reviewed by the Board of Directors on a periodical basis.

10. DEMATERIALIZATION OF SHARES

The equity shares of the Company are available under dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Trading of the Company's shares for all investors is compulsorily carried out in dematerialized form. 86.14% equity shares are in demat form as on March 31st, 2017 Trading in equity shares of the Company is permitted only in dematerialised form as per the notification issued by the Securities and Exchange Board of India (SEBI).

11. UNCLAIMED DIVIDEND

The unclaimed dividend, if any, which remain unclaimed for seven years is transferred to Investor Education and Protection Fund established by the Central Government under of the Companies Act, 2013.

12. ECS MANDATE

In order to service the Investors better, the Company requests all shareholders, who hold shares in dematerialized form, to update their bank particulars with their respective depositories immediately. Shareholders holding shares in the physical form may kindly forward the bank particulars to our Registrars to the address mentioned below.

13. LOCATIONS OF MANUFACTURING PLANT

The Company has manufacturing facilities at Khasra No. 265, Village Lakeshari, Sikanderpur near Bagwanpur, Roorkee, Dist. Haridwar, Uttarakhand-247661.

14. THE COMPANY AND REGISTRAR AND TRANSFER AGENT'S ADDRESS FOR CORRESPONDENCE COMPANY:

For all grievance redressal and any query on Annual Report

**SECRETARIAL DEPARTMENT**

Hanung Toys and Textiles Limited
108-109, NSEZ, Noida-201305 (U.P.);
Phone: 91-120-4140200;
Fax: 91-120-4140270;
Email: sunieetanthakur@hanung.com;
investor@hanung.com; admin@hanung.com
Website: www.hanung.com

REGISTRAR AND TRANSFER AGENTS

Investor Correspondence for Shares held in
Physical & Demat Form
M/S Karvy Computershare Private Limited ;
Unit: Hanung Toys & Textiles Limited
Karvy Selenium Tower-B Plot No. 31-32,
Gachibowli Financial District Hyderabad –
500032; Phone : 040 - 67162222, Fax No. : 040
-23001153; Email: einward.ris@karvy.com

Date : August, 10th, 2017

Place : Noida

**By order of the Board
For Hanung Toys and Textiles Limited**

Ashok Kumar Bansal
Chairman-cum-Managing Director
DIN 00028488

Annexure B**Declaration by the Managing Director**

This is to confirm that the Company has adopted a code of conduct for its Board Members and the Senior Management Personnel.

I confirm that the Company has, in respect of the financial year ended March 31, 2017, received from the Senior Management Personnel of the Company and the Members of the Board, a declaration of compliance with the code of conduct as applicable to them.

Place : Noida
Date : August, 10th, 2017

Ashok Kumar Bansal
Chairman-cum-Managing Director

**Annexure C**

To

The Members of

Hanung Toys and Textiles Limited

108-109, NSEZ Noida Uttar Pradesh

We have examined the compliance of conditions of Corporate Governance by M/S Hanung Toys & Textiles Limited for the year ended March 31st, 2017, as per Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and Para C, D AND E of Schedule V of Security and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We conducted our examination in Accordance with the guidance note on report or certificate for special purpose (Revised) 2016 issued by the Institute of Chartered Accountant of India. The Guidance Note requires that we comply with the ethical requirements of the code of issued by the Chartered Accountant of India. We have complied with the relevant applicable requirements of the standard of quality control (SQC) -1, Quality Control for firms that perform audit and reviews of Historical Financial Information, and other assurance and Related Service Engagements.

In our opinion and to the best of our information and according to the explanations given to us, we certify that company has complied with the conditions of corporate Governance as Specified in Regulation 17 to 27 the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations clauses (b) to (i) of sub-regulation (2) of regulation 46 and Para C, D AND E of Schedule V of Listing Regulations as applicable.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restrictions on used

This Certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

For Ravindra Sharma & Associates

Chartered Accountants

Sd/-

(CA Ravindra Sharma)

Partner

Membership No.: 085271

Place : Noida

Date : August, 10th, 2017

**Annexure D****CEO/CFO CERTIFICATION**

To,

The Board of Directors

Hanung Toys & Textiles Limited

Dear Member of the Board,

I, Sunil Mittal Chief Financial Officer of Hanung Toys & Textiles Limited, to the best of my knowledge and belief, certify that –

1. We have reviewed the Balance Sheet, Statements of Profit and Loss and the cash, The Statement in Changes in Equity, the statement of Cash Flow and the summary of Significant Accounting Policies and other Explanatory information of the company and Board Report.
2. These statements do not contain any materially untrue or omit statement to state a material fact necessary to make the statement made in the light of the circumstances under which such statement were made not misleading with respect to the period covered by the report.
3. The Financial statements, and other financial information included in this report present in all material respects a true and fair view of company affairs the financial conditions, result of operation and cash flow of the company as at, and for, the periods presented in this report and are in compliance with the existing accounting standard and/or applicable law and regulation.
4. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2016-17, which are fraudulent, illegal or violation of the Company's Code of Conduct.
5. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify those deficiencies.
6. We have indicated wherever applicable, to the Auditors and the Audit Committee:
 - (i). significant changes, if any, in internal control over financial reporting during this year;
 - (ii). significant changes, if any, in accounting policies during this year and that the same have been disclosed in the notes to the financial statement; and
 - (iii). Instances of significant fraud of which we are aware and involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.
7. We declare that all Board Members and Senior Management personnel have affirmed compliance with the code of conduct and ethics for the year covered by this report.

Place : Noida

Date : August, 10th, 2017

(Sunil Mittal)
Chief Financial Officer

**Annexure E****Secretarial Audit Report**

(For the period 01.04.2016 to 31.03.2017)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

M/s Hanung Toys and Textiles Limited,
E-93, 3rd Floor, Greater Kailash Enclave-I,
New Delhi-110048

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Hanung Toys and Textiles Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. I wish to state that the Company's Management is responsible for preparation and maintenance of secretarial records and ensuring compliance with applicable laws and regulations.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, and authorized representatives and representation made during the conduct of secretarial audit, I, hereby, report that in my opinion, the Company has, during the audit period ended on 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s Hanung Toys and Textiles Limited ("The Company") for the period ended on 31st March, 2017 according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company :-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Purchase Scheme) Guidelines, 1999;
 - e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;



During the period under review, I report that the Company has complied with the provisions of the Act, Rules, Regulations and guidelines mentioned above to the extent applicable to the Company.

I have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- b) The Listing Agreements entered into by the Company with the BSE Limited, National Stock Exchange of India Limited;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d) SEBI (Listing Obligations and Disclosure Requirement), Regulations, 2015.

During the period under review, I report that, the Company has complied with the provisions of the Act, Rules, Regulations and guidelines mentioned above to the extent applicable to the Company except as follows:

- a) *Non-filing of Form-MGT 10, Form IEPF -2 and Cost Audit report for the financial year 2015-16.*
- b) *The Company has filed settlement application with SEBI for non-compliance of Regulation 24 (a) of the Listing Agreement, Regulation 31(2) of SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015 and Regulation 73 (i)(e) of the SEBI (Issue of capital and Disclosure Requirements) Regulations, 2009.*

2. I further report that:

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
- d) The Company has obtained all necessary approvals under the various provisions of the Act; and
- e) There was no prosecution initiated during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
- f) The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel.

3. I further report that:

- a) The Company has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act, with regard to maintenance of minimum public shareholding.
- b) The Company has complied with the provisions of the Depositories Act, 1996 and the Byelaws framed thereunder by the Depositories with regard to dematerialization/ rematerialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.
- c) The Company has complied with the provisions of the FEMA, 1999 and the Rules and Regulations made under that Act to the extent applicable.

**4.I further report that:**

- a) As per the information given, on account of full erosion of Company's net worth, the Company filed application for registration under Sick Industrial Companies (Special Provisions) Act, 1985 to BIFR and it was registered on 15.04.2015. However, the said application had been abated by Hon`ble BIFR. The Company has filed an Appeal against the order of the Hon`ble BIFR before Hon`ble AAIFR during the audit period under review.
- b) I further report that during the year under review the Company was irregular in depositing the undisputed statutory dues related to Employees Provident Fund, Employees' State Insurance, Tax Deducted at source and Sales Tax, as applicable to it. However the Company has approached authorities and is in process of adjudication, negotiation and part payment of these dues.

Place : Noida

Date : August, 10th, 2017

For N.G. & Associates
Company Secretaries

Neha Goyal
Proprietor
CP No.9024
Memership No. F8294

This report is to be read with our letter of even date which is annexed as "Annexure-E-1" and forms an integral part of the report.

**“ANNEXURE-E-1”**

To,

The Members,
M/s Hanung Toys and Textiles Limited,
E-93, 2nd Floor, Greater Kailash Enclave-I,
New Delhi-110048

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Delhi
Date : 10th July. 2017

For N.G. & Associates
Company Secretaries

Neha Goyal
Proprietor
CP No.9024
Membership No. F8294

**ANNEXURE-F****STATEMENT OF DISCLOSURE OF REMUNERATION**

(Pursuant to Section 197 of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

S.No.	Requirements	Disclosure
1.	The ratio of remuneration of each Director to median remuneration of employees for the financial year	Mr. Ashok Kumar Bansal
2.	The Percentage increase in remuneration of each Director, CFO, CS in the financial year	There was no change in the remuneration of each Director except affected by resignation and appointment of Company Secretary and Appointment of CFO.
3.	The Percentage increase in the median remuneration of employees in the financial year	There was no significant increase made in the remuneration of any employee during the financial year 2016-17.
4.	The numbers of permanent employees on the rolls of Company	147 as on March 31st, 2017
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	The average percentile increase in the remuneration of employees compared to increase in remuneration of Key Managerial Personnel is in line with benchmark study and the performance of the Company over a period of time. There is no exceptional increase in the Managerial Remuneration.
6.	The key parameters for any variable component of remuneration availed by the Directors	Depends on the performance parameters set for key managerial personnel as approved by the Compensation Committee of the Board.
7.	Affirmation that the remuneration is as per the remuneration policy of the Company	We confirm that the Remuneration paid to the Key Managerial Personnel's is in accordance with the approved Remuneration policy of the Company.



ANNEXURE-G

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2017

Pursuant to section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the Company (Management & Administration) Rules, 2014.

I	REGISTRATION & OTHER DETAILS				
a.	CIN	L74999DL1990PLC041722			
b.	Registration Date	10/10/1990			
c.	Name of the Company	HANUNG TOYS AND TEXTILES LIMITED			
d.	Category/Sub-category of the Company	COMPANY LIMITED BY SHARE/NON GOVT. COMPANY			
e.	Address of the registered office & contact details	E-93, 3 rd Floor, G.K. Enclave-I, New Delhi-110048			
f.	Whether listed Company	Yes, BSE Limited and National Stock Exchange of India Ltd.			
g.	Name, address & contact details of the Registrar & Transfer Agent, if any.	Contact Officer: B. Srinivas, Deputy Manager Karvy Computershare Private Limited Karvy Selenium Tower-B, Plot No. 31-32, Financial District, Nanakramguda, Gachibowli, Hyderabad-500032, Telangan, Phone : 040 - 67162222, Fax No. : 040 -23001153, Email: einward.ris@karvy.com; Website: www.karvycomputershare.com			
II	PRINCIPLE BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10% or more of the total turnover of the Company shall be stated)				
	Name and Description of the main products/ services	NIC Code of the Product / services	% to total turnover of the Company		
A	Stuff Toys	3240	7%		
B	Home Furnishing	1392	93%		
III	PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES				
S. No.	Name of the Company	CIN / GLN	Holding / Subsidiary/ Associates	% of Shares held	Applicable Section
1	Hanung Infra & Power Limited	U45200DL2008PLC173693	Associates	47%	2(6)
2	Hanung Retail Limited	U52390DL2008PLC173216	Associates	38%	2(6)



IV	SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)								
i. Category-wise Share Holding									
Category of Shareholders	No. of Shares held at the beginning of the year [As on 1st April-2017]				No. of Shares held at the end of the year [As on 31st March-2017]				% Change during the year (approx.)
	Demate	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	5866050	-	5866050	19.03%	2651418	-	2651418	08.60	10.43%
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt.(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	5532917	4244000	9776917	31.72%	0	4244000	4244000	13.77	17.95%
Total shareholding of Promoter (A) (1)	11398967	4244000	15642967	50.75%	2651418	4244000	6895418	22.37	28.38%
(2) Foreign									
(a) Individuals(NRI/ Foreign Individuals)	0	0	0	0	0	0	0	0	0
(b) body Corporate	0	0	0	0	0	0	0	0	0
(c) Institutions	0	0	0	0	0	0	0	0	0
(d) qualified Foreign Investor	0	0	0	0	0	0	0	0	0
(e) Others	0	0	0	0	0	0	0	0	0
Sub Total A (2)	0	0	0	0	0	0	0	0	0
Total (A(1) + A (2))	11398967	4244000	15642967	50.75%	2651418	4244000	6895418	22.37	28.38%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0



f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1908473	100	1908573	6.19%	2736995	100	2737095	8.88	-2.69%
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	
i) Individual shareholders holding nominal share capital up to Rs. 1 lac	10612931	29134	10642065	34.53%	12876166	11434	12887600	41.81%	-11.38%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lac	2217522	0	2217522	7.19%	7645028	11500	7656528	24.84%	-13.55%
c) Others (specify)- NBFC	6655	0	6655	0.02%	18454	0	18454	0.06%	0.02%
Non Resident Indians	365369	-	365369	1.19%	394117	-	394117	1.28%	-0.09%
Hindu Undivided Families	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	124319	0	124319	0.40	-0.40
Clearing Members/ House	39624	0	39624	0.13%	109244	0	109244	0.35%	-0.23
Trusts	0	0	0	0	0	0	0	0	0
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	15150574	29234	15179808	49.25	23904323	23034	23927357	77.63	-28.38
Total Public Shareholding (B)=(B)(1)+ (B)(2)	15150574	29234	15179808	49.25	23904323	23034	23927357	77.63	-28.38
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	26549541	4273234	30822775	100%	26555741	4267034	30822775	100%	0


B. SHAREHOLDING OF PROMOTER & PROMOTER GROUP –

S.No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total shares	
1	ASHOK KUMAR BANSAL (HUF)	1322150	4.29	--	NIL	0	--	-4.29
2	ANJU BANSAL	1892482	6.14	1892482	NIL	0	--	-6.14
3	ASHOK KUMAR BANSAL	2651418	8.60	2651418	2651418	8.60	100	--
4	GLOFIN INVESTMENT AND FINANCE COMPANY PVT LTD	697526	2.26%	--	NIL	0	--	2.26
5	HANUNG FURNISHINGS PVT LTD	1128276	3.66	1128276	NIL	0	--	3.66
6	HANUNG PROCESSORS PVT LTD	1952059	6.33%	1952059	NIL	0	--	6.33%
7	HANUNG INFRA AND POWER LIMITED	728366	2.36%	--	NIL	0	--	2.36%
8	C K SOFTWARE PVT LTD	1026690	3.33%	--	NIL	0	--	3.33%
9	PRANEET SOFTECH PVT. LTD	4244000	13.77%	--	4244000	13.77	--	0%


C. Change in Promoters' Shareholding (please specify, if there is no change): NOT APPLICABLE

	Shareholding at the beginning of the Year					Cumulative Shareholding during the year	
Particulars	No. of shares As on 01.04.2016	% of total shares of the Company	Date	Increase/ Decrease	Reason	No. of shares	% of total shares of the Company
At the Beginning of the Year	15642967	50.75%					
ASHOK KUMAR BANSAL	2651418	8.60%	-	-	-	2651418	8.60%
HANUNG PROCESSORS PVT LTD	1952059	6.33%	15.07.2016	-1952059	Sale	Nil	0%
ANJU BANSAL	1892482	6.14%	30.06.2016	-1892482	Sale	Nil	0%
ASHOK KUMAR BANSAL (HUF)	1322150	4.29%	27.01.2017	-1322150	Sale	Nil	0%
HANUNG FURNISHINGS PVT LTD)	1128276	3.66%	03.06.2016	-1128276	Sale	Nil	0%
C K SOFTWARE PVT LTD	1026690	3.33%	29.07.2016	-1026690	Sale	Nil	0%
HANUNG INFRA AND POWER LIMITED	728366	2.36%	25.11.2016	-728366	Sale	Nil	0%
GLOFIN INVESTMENT AND FINANCE COMPANY PVT LTD	697526	2.26%	25.11.2016	-697526	Sale	Nil	0%
PRANEET SOFTECH PVT. LTD.	4244000	13.77%	-	-		4244000	13.77%
At the end of the year	6895418	22.37				6895418	22.37



D) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	Category	Folio/ Dp id- Client id	Type	Name of the Share Holder	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
					No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1	LTD	AABCK5190K	Opening Balance	KARVY STOCK BROKING LIMITED	171192	0.56	171192	0.56
		29/04/2016	Sale		759	0.00	170433	0.55
		06/05/2016	Sale		1817	0.01	168616	0.55
		13/05/2016	Purchase		600	0.00	169216	0.55
		13/05/2016	Sale		9388	0.03	159828	0.52
		20/05/2016	Purchase		1350	0.00	161178	0.52
		20/05/2016	Sale		650	0.00	160528	0.52
		27/05/2016	Purchase		97	0.00	160625	0.52
		27/05/2016	Sale		4628	0.02	155997	0.51
		03/06/2016	Purchase		10271	0.03	166268	0.54
		10/06/2016	Purchase		1026	0.00	167294	0.54
		10/06/2016	Sale		10000	0.03	157294	0.51
		17/06/2016	Purchase		530	0.00	157824	0.51
		24/06/2016	Sale		529	0.00	157295	0.51
		30/06/2016	Purchase		2771	0.01	160066	0.52
		30/06/2016	Sale		100	0.00	159966	0.52
		01/07/2016	Purchase		4900	0.02	164866	0.53



		01/07/2016	Sale		300	0.00	164566	0.53
		08/07/2016	Purchase		16270	0.05	180836	0.59
		08/07/2016	Sale		5	0.00	180831	0.59
		15/07/2016	Purchase		18456	0.06	199287	0.65
		22/07/2016	Purchase		7051	0.02	206338	0.67
		22/07/2016	Sale		2810	0.01	203528	0.66
		29/07/2016	Purchase		3895	0.01	207423	0.67
		05/08/2016	Purchase		4000	0.01	211423	0.69
		05/08/2016	Sale		1000	0.00	210423	0.68
		12/08/2016	Purchase		1696	0.01	212119	0.69
		12/08/2016	Sale		764	0.00	211355	0.69
		19/08/2016	Purchase		18200	0.06	229555	0.74
		19/08/2016	Sale		1026	0.00	228529	0.74
		26/08/2016	Purchase		10915	0.04	239444	0.78
		26/08/2016	Sale		100	0.00	239344	0.78
		02/09/2016	Purchase		49882	0.16	289226	0.94
		02/09/2016	Sale		50	0.00	289176	0.94
		09/09/2016	Purchase		4510	0.01	293686	0.95
		09/09/2016	Sale		12614	0.04	281072	0.91
		16/09/2016	Purchase		12680	0.04	293752	0.95
		16/09/2016	Sale		5229	0.02	288523	0.94
		23/09/2016	Purchase		2147	0.01	290670	0.94
		23/09/2016	Sale		12139	0.04	278531	0.90
		30/09/2016	Purchase		4236	0.01	282767	0.92
		30/09/2016	Sale		2267	0.01	280500	0.91
		07/10/2016	Purchase		302	0.00	280802	0.91
		07/10/2016	Sale		192	0.00	280610	0.91
		14/10/2016	Purchase		7798	0.03	288408	0.94
		21/10/2016	Purchase		4107	0.01	292515	0.95
		21/10/2016	Sale		677	0.00	291838	0.95
		28/10/2016	Purchase		16092	0.05	307930	1.00
		28/10/2016	Sale		1000	0.00	306930	1.00
		04/11/2016	Purchase		1100	0.00	308030	1.00



		04/11/2016	Sale		9061	0.03	298969	0.97
		11/11/2016	Purchase		18987	0.06	317956	1.03
		11/11/2016	Sale		302	0.00	317654	1.03
		18/11/2016	Purchase		480	0.00	318134	1.03
		18/11/2016	Sale		6150	0.02	311984	1.01
		25/11/2016	Purchase		900	0.00	312884	1.02
		25/11/2016	Sale		533	0.00	312351	1.01
		20/01/2017	Purchase		5670	0.02	318021	1.03
		27/01/2017	Purchase		300	0.00	318321	1.03
		27/01/2017	Sale		800	0.00	317521	1.03
		03/02/2017	Purchase		1800	0.01	319321	1.04
		03/02/2017	Sale		2110	0.01	317211	1.03
		10/02/2017	Purchase		8692	0.03	325903	1.06
		10/02/2017	Sale		2042	0.01	323861	1.05
		17/02/2017	Purchase		3309	0.01	327170	1.06
		17/02/2017	Sale		2659	0.01	324511	1.05
		24/02/2017	Purchase		2540	0.01	327051	1.06
		24/02/2017	Sale		2900	0.01	324151	1.05
		03/03/2017	Purchase		4557	0.01	328708	1.07
		03/03/2017	Sale		4840	0.02	323868	1.05
		10/03/2017	Purchase		4030	0.01	327898	1.06
		10/03/2017	Sale		700	0.00	327198	1.06
		17/03/2017	Purchase		201	0.00	327399	1.06
		17/03/2017	Sale		6001	0.02	321398	1.04
		24/03/2017	Purchase		560	0.00	321958	1.04
		24/03/2017	Sale		400	0.00	321558	1.04
		31/03/2017	Purchase		26947	0.09	348505	1.13
		31/03/2017	Closing Balance				328647	1.07
2	PUB	ACOPD6530C	Opening Balance	SHAILESH KANTILAL DIORA	161680	0.52	161680	0.52
		31/03/2017	Closing Balance				161680	0.52
3	PUB	AACPD8026F	Opening Balance	SAMEER SHANTILAL DEDHIA	159700	0.52	159700	0.52



		24/02/2017	Purchase		50000	0.16	209700	0.68
		31/03/2017	Closing Balance				209700	0.68
4	LTD	AAHCA6736D	Opening Balance	ANGEL HOLDINGS PVT LTD	126230	0.41	126230	0.41
		29/07/2016	Purchase		17000	0.06	143230	0.46
		19/08/2016	Purchase		14000	0.05	157230	0.51
		04/11/2016	Sale		4000	0.01	153230	0.50
		31/03/2017	Closing Balance				153230	0.50
5	PUB	AJWPM4790L	Opening Balance	ANISH MARIA	106600	0.35	106600	0.35
		31/03/2017	Closing Balance				106600	0.35
6	LTD	AAACS4487J	Opening Balance	SHRI PARASRAM HOLDINGS PVT.LTD.	106059	0.34	106059	0.34
		29/04/2016	Sale		1000	0.00	105059	0.34
		13/05/2016	Purchase		25	0.00	105084	0.34
		20/05/2016	Sale		245	0.00	104839	0.34
		27/05/2016	Purchase		925	0.00	105764	0.34
		27/05/2016	Sale		1425	0.00	104339	0.34
		03/06/2016	Purchase		885	0.00	105224	0.34
		03/06/2016	Sale		925	0.00	104299	0.34
		10/06/2016	Purchase		90	0.00	104389	0.34
		17/06/2016	Purchase		4075	0.01	108464	0.35
		24/06/2016	Purchase		3615	0.01	112079	0.36
		30/06/2016	Purchase		3014	0.01	115093	0.37
		01/07/2016	Purchase		900	0.00	115993	0.38
		08/07/2016	Sale		1740	0.01	114253	0.37
		15/07/2016	Purchase		14800	0.05	129053	0.42
		22/07/2016	Purchase		15640	0.05	144693	0.47
		29/07/2016	Purchase		2229	0.01	146922	0.48
		05/08/2016	Sale		17650	0.06	129272	0.42



		12/08/2016	Purchase		3725	0.01	132997	0.43
		19/08/2016	Purchase		5500	0.02	138497	0.45
		19/08/2016	Sale		7000	0.02	131497	0.43
		26/08/2016	Sale		5600	0.02	125897	0.41
		02/09/2016	Sale		350	0.00	125547	0.41
		09/09/2016	Sale		100	0.00	125447	0.41
		16/09/2016	Purchase		8140	0.03	133587	0.43
		23/09/2016	Sale		6030	0.02	127557	0.41
		30/09/2016	Sale		6045	0.02	121512	0.39
		07/10/2016	Purchase		262	0.00	121774	0.40
		14/10/2016	Sale		502	0.00	121272	0.39
		21/10/2016	Purchase		100	0.00	121372	0.39
		28/10/2016	Purchase		4500	0.01	125872	0.41
		28/10/2016	Sale		5025	0.02	120847	0.39
		04/11/2016	Purchase		2197	0.01	123044	0.40
		04/11/2016	Sale		3776	0.01	119268	0.39
		11/11/2016	Sale		5059	0.02	114209	0.37
		18/11/2016	Purchase		600	0.00	114809	0.37
		25/11/2016	Purchase		2500	0.01	117309	0.38
		20/01/2017	Purchase		83	0.00	117392	0.38
		27/01/2017	Sale		83	0.00	117309	0.38
		03/02/2017	Purchase		3375	0.01	120684	0.39
		10/02/2017	Purchase		6850	0.02	127534	0.41
		10/02/2017	Sale		3000	0.01	124534	0.40
		17/02/2017	Purchase		100	0.00	124634	0.40
		17/02/2017	Sale		3000	0.01	121634	0.39
		24/02/2017	Purchase		638	0.00	122272	0.40
		24/02/2017	Sale		100	0.00	122172	0.40
		03/03/2017	Purchase		1300	0.00	123472	0.40
		10/03/2017	Purchase		50	0.00	123522	0.40
		17/03/2017	Sale		200	0.00	123322	0.40
		24/03/2017	Sale		15790	0.05	107532	0.35
		31/03/2017	Purchase		1000	0.00	108532	0.35



		31/03/2017	Sale		5563	0.02	102969	0.33
		31/03/2017	Closing Balance				82301	0.27
7	PUB	AFZPS2007P	Opening Balance	NARENDRA S SHAH	100000	0.32	100000	0.32
		31/03/2017	Closing Balance				100000	0.32
8	PUB	BLZPK9559D	Opening Balance	NAKSHAB KALOO	96865	0.31	96865	0.31
		13/05/2016	Sale		30467	0.10	66398	0.22
		20/05/2016	Sale		15500	0.05	50898	0.17
		03/06/2016	Sale		18500	0.06	32398	0.11
		10/06/2016	Sale		3252	0.01	29146	0.09
		17/06/2016	Sale		19000	0.06	10146	0.03
		30/06/2016	Sale		10146	0.03	0	0.00
		31/03/2017	Closing Balance				0	0.00
9	PUB	AEKPL4277L	Opening Balance	LOGESH CHITTIBABU	92755	0.30	92755	0.30
		20/05/2016	Sale		1000	0.00	91755	0.30
		30/06/2016	Sale		1000	0.00	90755	0.29
		08/07/2016	Sale		4000	0.01	86755	0.28
		05/08/2016	Sale		5000	0.02	81755	0.27
		09/09/2016	Sale		10000	0.03	71755	0.23
		16/09/2016	Sale		10000	0.03	61755	0.20
		04/11/2016	Sale		10000	0.03	51755	0.17
		20/01/2017	Sale		15000	0.05	36755	0.12
		31/03/2017	Purchase		15000	0.05	51755	0.17
		31/03/2017	Closing Balance - 31/03/2017				94755	0.31
10	LTD	AADCG0860A	Opening Balance	GIFT CONSTRUCTION PVT.LTD	88500	0.29	88500	0.29
		31/03/2017	Closing Balance				88500	0.29


E. Shareholding of Directors and Key Managerial Personnel:

E. Shareholding of Directors and Key Managerial Personnel:					
S.No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
(A) Directors					
1	Ashok Kumar Bansal	2651418	8.60%	2651418	8.60%
2	Deepika Gera	5500	0.02%	5500	0.00%
(B) Key Managerial Personnel					
Note: There is no shareholding of Key Managerial Personnel					

**F INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment.
(Rs. In Lacs)**

Particulars		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year					
1	Principal Amount	2,19,345.58	--	--	2,19,345.58
2	Interest due but not paid	65,980.49	--	--	65,980.49
3	Interest accrued but not due	--	--	--	--
	TOTAL(1+2+3)	2,85,326.07	--	--	2,85,326.07
Change in Indebtedness during the financial year					
* Reduction		4,525.83	--	--	31886.72
* Addition		4,051.83	--	--	3762.07
Net Change		474.00	--	--	28124.65
Indebtedness at the end of the financial year					
1	Principal Amount	2,14,819.75	--	--	2,14,819.75
2	Interest due but not paid	70,032.32	--	--	70,032.32



3	Interest accrued but not due	--	--	--	--
	Total (1+2+3)	2,84,852.07	--	--	2,84,852.07

G. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**1) Remuneration to Managing Director, Whole-time Directors and/or Manager:**

SN.	Particulars of Remuneration	Mr. Ashok Kumar Bansal Chairman & Managing Director	Total Amount
	Gross salary		
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Rs. 12 Lac	Rs. 12 Lac
	(b) Value of perquisites u/s 17(2) Income -tax Act, 1961	-	
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
	Stock Option	-	-
2	Sweat Equity	-	-
3	Commission - as % of profit - others, specify...	-	-
4	Others, please specify	-	-
5	Total (A)	Rs. 12 Lac	Rs. 12 Lac
	Ceiling as per the Act*		

2) Remuneration to other Directors (Rs. In Lacs)

Name of the Director	Designation	Relationship with other Directors	Sitting Fees	Salary & Perquisites	Total
Abhishek Monu Kaushik**	Independent Director	None	0.30	Nil	0.30
Anju Bansal***	Non Executive & Non Independent	Wife of Mr. Ashok Kumar Bansal (CMD)	0.15	Nil	0.15



Mr. Mukesh Kumar***	Non Executive & Non Independent	None	0.20	Nil	0.20
Deepika Gera****	Independent Director	None	0.30	Nil	0.30
Total			0.95	Nil	0.95

Note:

** In terms of the provisions of Companies Act, 2013, no remuneration is payable to the Non-Executive Directors except the sitting fees within the limits prescribed under the Companies Act, 2013.

*** Mrs. Anju Bansal (DIN No. 00028508) resigned from the directorship of the Company and Mr. Mukesh Kumar (DIN No. 07231118) was appointed as Additional Director of the Company and regularized at 26th Annual General Meeting.

3) REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD (Rs. In Lacs)			
SNO	Particulars of Remuneration	Key Managerial Personnel	
		Chief Financial Officer	Company Secretary
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	8.91	7.84
	(b) Value of perquisites u/s 17(2) Income -tax Act, 1961	1.89	1.66
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	others, specify...	-	-
5	Others, please specify	-	-
	Total	10.80	9.50

Date: August 10th, 2017
Place : Noida

By order of the Board
For Hanung Toys and Textiles Limited

Ashok Kumar Bansal
Chairman-cum-Managing Director
DIN 00028488



MANAGEMENT DISCUSSION & ANALYSIS

This Report Covers the operations and financial Performance of the company for the year ended 31st March, 2017 and forms part of the Directors Report.

OVERVIEW

Your Company is engaged in the manufacturing of Home Furnishings and Stuffed Toys. Since incorporation in 1990, your Company has continued to do well. Our production units consist of toys manufacturing , home furnishings production facilities including weaving and processing facilities at Roorkee. Currently, Company is operating only from its textile unit located at Roorkee.

INTERNATIONAL MARKETING

Our major overseas market were in Europe, USA, Latin America and Australia. Our products were sold in over 30 countries and were available with the leading, Tier One, top most retailer in the world. this includes some of the finest international brands, serviced and supplied by us. During last few years, due to paucity of working capital, your Company has not been able to serve the international market but to keep the facilities running on Job Work basis for other exporters and domestic buyers.

DOMESTIC MARKET

Our products have wide acceptability in the domestic market. Our domestic brands -- Play-n-Pets and Splash were available with all major retailers. A well established distribution network spreads across various towns. Our products were sold through a number of outlets. In the Stuffed Toys /Plush Toys category, our Company was the market leader & has major share of the market.

In spite of having such leadership and market acceptance, due to tight cash flow we could not explore and utilize this opportunity.

OPPORTUNITIES THREATS & RISK MITIGANTS

There is good scope for growth for the textile industry as India's share in the global trade textiles is weak compared to other countries. The free trade environment is a great opportunity for the Indian textile industry to increase its share in the global market. Chinese exports are slowing down on account of various factors inclusive of increase in domestic demand and rising. costs. This is a good opportunity of which our textile industry should make use. In order to exploit this huge capacity, we need to augment our working capital requirements whether internally or externally.

The business environment is very challenging, as customers are cutting down on inventory level & making pricing competitive. The challenges are considerable in managing costs and retaining market share. The company recognize these challenges and has initiated steps to reduce waste, increase productivity and create a sustainable marketing strategy.

OPERATING RESULTS / FINANCIAL HIGHLIGHTS

The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013 and generally accepted accounting principles (GAAP) in India. The management accepts the responsibility for the integrity and objectivity of these financial statements and the basis for the various estimates and judgments used in preparing the financial statements.

During the year, the Company has achieved Gross Revenue including other income of Rs. 1,411.53 lacs, Loss before tax was at Rs. (8,619.88) lacs and net Loss after tax also stood at Rs.(11,023.88) lacs.

Earnings per equity share (face value Rs.10/-) during the year under review in Rs. (35.77) against last year in Rs. (354.71).

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUANCY

The Company is committed to maintaining an effective system of internal control for facilitating accurate, reliable and speedy compilation of financial information, safeguarding the assets and interests of the Company and ensuring compliance with all laws and regulations. The Company has an internal control



department to monitor, review and update internal controls on an ongoing basis. The Company has put in place a well defined organization structure, authority levels and internal guidelines for conducting business transactions.

The Company has an Internal Audit Department to monitor and review all transactions independently to get higher level of efficiency. It reports directly to the Audit Committee, on quarterly basis. The Audit Department conducts audit of all key business areas as per the pre-drawn audit plan. All significant audit observations and follow up actions are reported to the Audit Committee along Internal Audit reports and management's responses/replies. The minutes of Audit Committee are reviewed by the Board of Directors for its suggestions/recommendations to further improve the internal control systems.

The Audit Committee periodically reviews audit plans, observations and recommendations of the internal audit department as well as external auditors with reference to significant risk areas and adequacy of internal controls.

HUMAN RESOURCES / INDUSTRIAL RELATIONS

Human resource is one of the key elements to achieve the objectives and strategies of the Company. The Company, therefore, looks at its employees as "Capital Assets". It provides to its employees a fair and equitable work environment in which senior colleagues provide ample support to their junior colleagues with a view to develop their skills and capabilities. The Company continuously nurtures this environment to keep its employees highly motivated, result oriented and adaptable to changing business environment.

CAUTION STATEMENT

Investors are cautioned that this discussion contains statements that involve risks and uncertainties. Words like anticipate, believe, estimate, intend, will, expect and other similar expressions are intended to identify such forward looking statements. The Company assumes no responsibility to amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events. Besides, the Company cannot guarantee that these assumptions and expectations are accurate or will be realized and actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements.

Date: August 10th, 2017
Place : Noida

By order of the Board
For Hanung Toys and Textiles Limited

Ashok Kumar Bansal
Chairman-cum-Managing Director
DIN 00028488



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HANUNG TOYS AND TEXTILES LIMITED

1) Report on the Financial Statements

We have audited the accompanying financial statements of HANUNG TOYS AND TEXTILES LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

2) Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3) Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and to the operating effectiveness of such control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management/Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

**4) Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements subject to matters referred in Emphasis of Matter paragraph herein below give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its loss and its cash flows for the year ended on that date.

5) Emphasis of Matter

Without qualifying our opinion, we draw attention to the following matters in the Notes to the financial statements:

1. Note no. 3.1 to the financial statement. We report that the Company has incurred a net loss of Rs. 11,023.88 Lacs during the year ended March 31, 2017 and the accumulated losses of the Company as at March 31, 2017 amount to Rs.268,260.58 Lacs leading to erosion of its entire net worth. The current liabilities of the Company as at the same date exceed its current assets by Rs. 280,607.93 Lacs. These conditions indicate the existence of a uncertainty and cast significant doubt about the Company's ability to continue as a going concern, in view of note no. 7.5 to the financial statements..

2. Note No. 4.1,7.2 and 7.6 to the financial statement. we report that lenders of the Company have recall the borrowings granted to the Company under Securitisation and Recovery of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) and also enforced the security in the form of assets of the Company. Accordingly, the Company has classified the outstanding long term borrowings from Banks as current liabilities. Further, the balance of loans from lenders Banks are subject to confirmation and reconciliation. Therefore, the exact liability of the Company towards its lenders banks are not confirmed at the Balance Sheet date.

3. Note No. 9.3 to the financial statement. We report that the Company has not provided depreciation on the assets situated at its units 126, 127 and 129E, NSEZ, Noida and B-8,9,10, Hosiery Complex, Phase-II, Noida, the above units exclusively mortgage to ICICI Bank and the said Bank has taken physical possession of the properties under the Securitisation and Recovery of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI), which has the effect of understatement of loss of the Company for the year ended March 31, 2017 by Rs. 95.18 Lacs.

4. Note No. 23.1 to the financial statement. We report that during the quarter ended March 31, 2017, the Company has not provided for interest on borrowings from Banks and Financial Institutions and also reversed the interest provided on adhoc basis on borrowings for last 3 quarters for the financial year 2016-17 as the lenders of the Company had taken possession of assets of the Company under section 13(4) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI), which has the effect of understatement of loss of the Company for the year ended March 31, 2017 to the extent of interest on borrowings not provided for.

5. Note No. 29.1 to the financial statements which, describes the uncertainty related to the outcome of the lawsuit filed against the Company by certain creditors for recovery of their dues.

6) Report on Other Legal and Regulatory Requirements



1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on March 31, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has, in accordance with the generally accepted accounting practice, disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note 14 and 29.1 to the financial statements.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses under the applicable law or accounting standard.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company .
 - (iv) The company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016, these are in accordance with the books of accounts maintained by the company.

Date: May 30, 2017
Place : Noida

For RAVINDRA SHARMA & ASSOCIATES
Chartered Accountants

(CA Ravindra Sharma
Partner
Membership No.: 085271

**ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT**

- (i) The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2017, we report that:

In respect of fixed assets:

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The Company has a regular system of verification of fixed assets at the end of each year, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c) According to information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventory was physically verified during the year by the Management at reasonable interval during the year. In our opinion and according to the information and explanation provided to us, the procedure and frequency of verification of inventories carried out by the management is reasonable and adequate in relation to the size of the Company and nature of its business. As explained to us, the discrepancies noticed on physical verification as compared to book records have been properly dealt with in the books of account for the year ended March 31, 2017.
- (iii) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted/taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 and accordingly, the provisions of clauses (iii) of paragraph 3 of the Order are not applicable to the Company.
- (iv) In our opinion and according to information and explanations given to us, the Company has complied with the provision of section 185 and 186 of the Companies Act, 2013 with respect to the loans and investments made.
- (v) According to the information & explanation given to us, the Company has not accepted any deposits and accordingly, the provision of clause (v) of paragraph 3 of the Order are not applicable to the Company.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to Rule made by the Central Government for the maintenance of cost records under Section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.



(vii) According to the information & explanation given to us and on the basis of our examination of the records of the Company, in respect of statutory dues;

- a) The Company has not been generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to it with appropriate authorities during the year. Details of the outstanding statutory dues as at March 31, 2017 have been given in the note no. 7.1 of the financial statements. According to the information and explanation given by the Company, there are some undisputed amounts payable in respect of Employee's state insurance, Employee's provident fund, Tax deducted at source, Sales Tax, Service Tax of Rs. 115.61 lacs, Rs. 35.16 lacs, Rs. 50.35 lacs, Rs. 142.30 lacs and Rs. 2.98 lacs respectively, which were outstanding, as at March 31, 2017, for a period of more than six months from the date they became payable.
- b) According to information and explanation given to us and the records of the Company examined by us, there are no dues of service tax, sales tax, duty of custom, duty of excise, value added tax, cess and any other statutory dues which have not been deposited on account of any dispute. The particular of dues of income tax as at March 31, 2017 which has not been deposited on account of any dispute, are as follow-

Name of the statute	Nature of dues	Amount Rs. in lacs	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income tax including interest, as applicable	196.23	Assessment Year 2010-11	Income-tax Appellate Tribunal
Income Tax Act, 1961	Income tax including interest, as applicable	435.03	Assessment Year 2011-12	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income tax including interest, as applicable	2404.63	Assessment Year 2012-13	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income tax including interest, as applicable	2823.66	Assessment Year 2013-14	Commissioner of Income Tax (Appeal)

(viii) According to information and explanations given to us and based on our examination of the records of the Company, we are of the opinion that, the Company had defaulted in repayment of dues to financial institution and banks, particulars of which are as follow:



Name of Bank	Nature	Amount of defaults (Rs. In lacs)	
		More than 365 days	Less than 365 days
Allahabad Bank	Interest	5,946.58	-
Andhra Bank	Interest	970.23	-
Bank of Baroda	Interest	4,235.01	-
Bank of India	Interest	3,700.02	-
Bank of Maharastra	Interest	1,264.42	-
Central Bank of India	Interest	6,694.26	-
Exim Bank	Interest	1,956.99	-
ICICI Bank	Interest	7,560.47	-
Karnataka Bank	Interest	753.64	-
Karur Vysa Bank	Interest	877.67	-
Oriental Bank of Commerce	Interest	3,492.14	-
Punjab National Bank	Interest	15,122.33	-
State Bank of India	Interest	4,526.20	-
Syndicate Bank	Interest	3,090.59	-
Union Bank Of India	Interest	3,056.41	-
UCO Bank	Interest	2,733.53	-

We further report that during the financial year covered by our audit all the banks have classified the accounts of the Company as NPA and accordingly, the banks recalled the facilities granted to the Company. Therefore, the balances as on March 31, 2017 as per books of account of the Company of Rs. 214,819.75 Lacs forming part of notes no. 5 and 7 to the financial statements became payable to which the Company has defaulted..

- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instrument) and term loan during the year. Accordingly, the provision of clause (ix) of paragraph 3 of the Order is not applicable to the Company.
- (x) To the best of our knowledge and according to the information and explanations given to us, and considering the size and nature of the Company's operations, no fraud of material significance by the Company or on the Company by its officers or employee has been noticed or reported during the course of our audit.
- (xi) According to information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provision of section 197 read with Schedule V of the Companies Act, 2013.



- (xii) In our opinion and according to information and explanations given to us, the Company is not a nidhi company. Accordingly, the provision of clause (xii) of paragraph 3 of the Order is not applicable to the Company.
- (xiii) According to information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture during the year.
- (xv) According to information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non cash transactions with directors or persons connected with him. Accordingly, the provision of clause (xv) of paragraph 3 of the Order is not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of Reserve Bank of India Act, 1934.

Date: May 30, 2017

Place : Noida

For RAVINDRA SHARMA & ASSOCIATES

Chartered Accountants

(CA Ravindra Sharma

Partner

Membership No.: 085271

**ANNEXURE- B TO THE INDEPENDENT AUDITORS' REPORT****Report on the Internal Financial Controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Hanung Toys and Textiles Limited ("the Company") as at March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibility include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standard and Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about adequacy of the internal financial controls systems over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud and error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is process designed to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that



- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and their receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company;
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not to be detected. Also, projections of any evaluation of internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of change in conditions, or that the degree of compliance with policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For RAVINDRA SHARMA & ASSOCIATES

Chartered Accountants

Date: May 30, 2017

Place : Noida

(CA Ravindra Sharma

Partner

Membership No.: 085271


BALANCE SHEET AS AT 31ST MARCH 2017

(Rs. in lacs)

P A R T I C U L A R S	Notes	AS AT 31.03.2017	AS AT 31.03.2016
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	2	3,082.28	3,082.28
Reserves & Surplus	3	(227,379.26)	(216,355.38)
Forfeited - Convertible Share warrants (Partly paidup)		767.91	767.91
Non - Current Liabilities			
Long - term borrowings	4	-	-
Deferred tax liabilities (Net)		3,005.80	3,005.80
Current Liabilities			
Short - term borrowings	5	83,686.33	85,507.68
Trade Payable	6	817.71	1,261.15
Other current liabilities	7	201,723.09	200,586.70
Short - term provisions	8	58.56	130.96
Total		65,762.42	77,987.10
ASSETS			
Non - Current Assets			
<u>Fixed Assets</u>	9		
Tangible Assets		58,376.71	63,561.79
Intangible Assets		-	-
Capital Work in Progress		-	-
Non -current Investments	10	290.15	290.15
Long - term loans and advances	11	324.44	2,688.56
Other non- current assets	12	1,093.36	1,093.36
Current Assets			
Inventories	13	2,051.64	4,333.91
Trade Receivables	14	1,288.90	3,527.51
Cash and Cash equivalents	15	41.26	61.01
Short - term loans and advances	16	2,293.35	2,429.30



Other current assets

17 2.61 1.51

Total **65,762.42** **77,987.10**

Significant Accounting Policies and Notes on Accounts

As per our report attached

For Ravindra Sharma & Associates

Chartered Accountants

1 To 35**For and on behalf of the Board****Ashok Kumar Bansal**

Chairman cum Managing Director

Mukesh Kumar

Non Executive Director

Lalit Chawla

Company Secretary

Sunil Mittal

CFO

(CA Ravindra Sharma)

Partner

Membership No : 085271

Place : Noida

Date : May 30, 2017

**STATEMENT OF PROFIT AND LOSS FOR
THE PERIOD ENDED ON MARCH 31, 2017****(Rs. in Lacs)**

P A R T I C U L A R S	Notes	2016-17	2015-16
Revenue from operations	18	863.70	9,404.23
Other Income	19	547.83	106.95
Total Revenue (I+II)		1,411.53	9,511.18
EXPENSES:			
Cost of materials consumed	20	960.76	29,186.59
Changes in inventories of finished goods, work -in -progress and Stock -in -Trade	21	1,604.87	36,925.47
Employee benefits expenses	22	369.66	494.80
Finance Costs	23	6.76	27,819.71
Depreciation and amortization expense	9	5,160.96	5,282.63
Other expenses	24	1,928.40	5,604.09
Total expenses		10,031.41	105,313.29
Profit before Tax and Extraordinary items		(8,619.88)	(95,802.11)
Extraordinary Items		-	18.30
Profit before Tax after Extraordinary items		(8,619.88)	(95,820.41)
Tax expenses :			
(1) Current Tax		-	-
(1) Deferred Tax		-	13,528.00
(2) Tax for earlier year		2,404.00	-
Profit after Tax for the year		(11,023.88)	(109,348.41)
Earnings per equity share:			
(1) Basic		(35.77)	(354.71)
Significant Accounting Policies and Notes on Accounts	1 To 35		
As per our report attached			
For Ravindra Sharma & Associates	For and on behalf of the Board		
Chartered Accountants	Ashok Kumar Bansal Chairman cum Managing Director		
(CA Ravindra Sharma) Partner Membership No : 085271	Mukesh Kumar Non Executive Director		
	Lalit Chawla Company Secretary		
Place : Noida	Sunil Mittal CFO		
Date : May 30, 2017			

**CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2017**

(Rs. in lacs)

Particulars		2016-17	2015-16
A	CASH FLOW FROM OPERATIVE ACTIVITIES		
	Profit before tax	(8,619.88)	(95,802.11)
	Adjustments for :		
	Depreciation	5,160.96	5,282.63
	Other amortisations	-	-
	Interest and finance charges	6.76	27,819.71
	Interest income	(1.86)	(5.57)
	Dividend Income	-	-
	(Profit) / Loss on disposal of fixed assets	-	-
	(Profit) / Loss on disposal of investments	-	-
	Operating profit before working capital changes	(3,454.02)	(62,705.34)
	Adjustments for changes in working capital :		
	Inventories (Increase) / Decrease	2,282.27	61,285.76
	Debtors (Increase) / Decrease	2,238.61	(354.94)
	Advances (Increase) / Decrease	2,498.97	839.93
	Current Liabilities & Provisions Increase / (Decrease)	634.68	(779.72)
	Cash generated from operations	4,200.51	(1,714.31)
	Income tax (paid) / refund for earlier years	(2,404.00)	-
	Income tax (paid) / refund	(14.13)	(63.20)
	Extra Ordinary Items	-	(18.30)
	Miscellaneous / Deferred Expenditure Paid	-	-
	Net Cash from Operating Activities	1,782.38	(1,795.81)
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Payments for asset acquisition	(0.16)	179.84



Proceeds on sale of fixed assets	24.28	6.48
Purchase of investments	-	-
Sale / redemption of investments	-	-
Dividend received	-	-
Net cashflow used in investing activities	1,806.50	(1,609.49)

C CASH FLOW FROM FINANCING ACTIVITIES

Increase in Share Capital / Share Application Money	-	-
Share Premium Raised	-	-
Capital Subsidy	-	-
Long term borrowing (net)	(1,821.35)	28,560.77
Increase / (Decrease)		
Interest and finance charges paid-net	(4.90)	(27,814.14)
Dividend paid and tax thereon	-	-
Net cash flow from financing activities	(19.75)	(862.86)
Net cash inflow / (outflow)	(19.75)	(862.86)
Opening cash and cash equivalents	61.01	923.87
Closing cash and cash equivalents	41.26	61.01
Net increase/ (decrease) in cash equivalents	(19.75)	(862.86)

This is the Cash Flow Statement referred to in our report of even date

**For Ravindra Sharma
& Associates**

(CA Ravindra Sharma)

Partner
Membership No :
085271

Place : Noida

Date: May 30, 2017

**For and on behalf
of the Board**

Ashok Kumar Bansal
Chairman-cum-
Managing Director

Mukesh Kumar
Non Executive
Director

Lalit Chawla
Company Secretary

Sunil Mittal
CFO

**Notes to the financial statements as at and for the year ended on March 31, 2017**

1 Significant Accounting Policies**1.1 Basis for Preparation of Financial Statements**

The financial statements have been prepared on the historical cost convention and based on the Generally Accepted Accounting Principles (GAAP) and the Accounting Standards as referred under section 133 of the Companies Act, 2013 read with rules 7 of the Companies (Accounts) Rules, 2014, which have been adopted by the Company and disclosures are made in accordance with the requirements of Schedule III of the Companies Act, 2013 and according to Indian Accounting Standards. In case of any deviations from applicable Accounting Standards, the same have been specified/disclosed wherever applicable.

1.2 Use of estimates

The preparation of financial statements requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and results of operations during the reported period. Although, these estimates are based upon management's best knowledge of current events and actions, whereas actual results could differ from these estimates.

1.3 Fixed Assets

Fixed assets are stated at costs, which comprises of purchase consideration and other directly attributable cost of bringing the assets to its working condition for the intended use.

Pursuant to the enactment of Companies Act, 2013, the Company has applied the estimated useful lives as specified in Schedule II. Accordingly, the unamortized carrying value is being depreciated/amortized over the revised/ remaining useful lives.

1.4 Impairment of Assets

The Company assesses at each Balance Sheet date whether there is any indication that any asset including goodwill, may be impaired. If any such indication exists, the carrying value of such assets is reduced to its estimated recoverable amount and the amount of such impairment loss is charged to the Statement of Profit & Loss. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that effect.

1.5 Investments

Investments are valued at costs unless there is a permanent fall in their value as at the date of Balance Sheet.

1.6 Inventories

Inventories are valued at lower of cost or the net realizable value.

Finished goods and stock-in-process include conversion and other costs incurred in bringing the inventories to their present location and condition.



1.7 Revenue Recognition

Sales are inclusive of excise duty / customs duty and net of trade discounts. Export sales include goods invoiced against confirmed orders and cleared from excise and customs authorities.

Revenue from job work is accounted as and when on work being accepted by the customer.

Dividend income on investments is accounted for when the right to receive the payment is established.

Export incentives receivable on exports made during the year, are recognized as income.

1.8 Employee Benefits

Provisions for gratuity and leave encashment, which are in the nature of defined benefit plans, are provided as per the Payment of Gratuity Act, as at the Balance Sheet date. Contributions to provident fund, which are defined contribution scheme, are charged to the Statement of Profit and Loss when incurred.

1.9 Borrowing Costs

Borrowing costs directly attributable to acquisition, construction and production of assets are capitalized as part of the cost of such asset up to the date of completion. Other borrowing costs are recognized as expenses in the period in which they are incurred and charged to the Statement of Profit & Loss.

1.10 Research and Development

Revenue expenditure on Research & Development is included under the natural heads of expenditure. Capital expenditure on Research & Development is treated in the same manner as expenditure on other fixed assets.

1.11 Lease

Leases where the Lessor retains substantially all the risks and rewards of ownership of the leased assets, are classified as operating leases. Operating lease payments are recognized as expenses in the Statement of Profit and Loss as per the terms of the lease.

1.12 Taxes on Income

Provision for current income tax is made on the basis of the estimated taxable income for the current accounting year computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognized on timing difference between the income accounted in financial statements and taxable income for the year, and quantified using tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

1.13 Government Grants

Where grant or subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related asset. Project capital subsidy credited to capital reserve. Other government grants or subsidies including export incentives are credited to the Statement of Profit and Loss or deducted from related expenses.

**1.14 Provision, Contingent Liabilities**

Liabilities though contingent, are provided for if there are reasonable prospects of such liabilities maturing. The other Contingent Liabilities, which are not acknowledged as debt, are disclosed by way of a note to the financial statements, but claims of frivolous nature are ignored. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

1.15 Translation of Foreign Currency Items

Transactions in foreign currency are recorded at the rate of exchange in force on the date of the transactions. Current Assets and Current Liabilities denominated in foreign currency are translated at the exchange rate prevalent at the date of the Balance Sheet. The Gain / loss is recognized in the Statement of Profit & Loss, except in cases where they relate to the acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

2 SHARE CAPITAL

	<u>31.03.2017</u>	<u>31.03.2016</u>
	<u>Rs., Lacs</u>	<u>Rs., Lacs</u>
Authorised Share Capital		
40000000 (Pr. Yr. 40000000) Equity Shares of Rs. 10/- each	<u>4,000.00</u>	<u>4,000.00</u>
Issued, Subscribed & Paid Up Capital	<u>3,082.28</u>	<u>3,082.28</u>
Total	<u>3,082.28</u>	<u>3,082.28</u>

2.1 Issued, Subscribed and Paid up Capital

30822775 (Pr.Yr.30822775) Equity Shares of Rs.10/-each fully paid up.

4244000 (Pr. Yr. 4244000) Equity Shares allotted on 05.08.2014 to Praneet Softech Pvt. Ltd. (promoters group company) as per the CDR condition to induct promoter's contribution;

5117330 (Pr.Yr. 5117330) Equity Shares allotted as fully paid up by way of Bonus Shares on 15.01.1996, 31.03.1997 and 30.08.2005;

7147835 (Pr. Yr. 7147835) Equity Shares allotted on 29.03.1994 and 31.10.2005 as fully paid up pursuant to a contract without payment being received in cash.

2.2 Equity Shares carry voting rights at the General Meeting of the Company and are entitled to dividend and to participate in surplus, if any, in the event of winding up.

2.3 Reconciliation of number of Shares

	Equity Shares of Rs. 10 each	Rs., lacs
Outstanding as at March 31, 2016	30822775	3,082.28
Issued and Allotted during the year	-	-
Outstanding as at March 31, 2017	30822775	3,082.28

**Shareholders holding equity shares of more than 5% shares in the Company:**

Sr. No.	Names of Shareholders	As on 31-03-2017		As on 31-03-2016	
		No. of Shares	Percentage	No. of Shares	Percentage
1	Hanung Processors Pvt. Ltd.	-	-	1952059	6.33
2	Praneet Softech Pvt. Ltd.	4244000	13.77	4244000	13.77
3	Ashok Kumar Bansal	2651418	8.60	2651418	8.60
4	Anju Bansal	-	-	1892482	6.14
5	Glofin Investment and Finance Company Pvt. Ltd.	-	-	697526	2.26
	TOTAL	6895418	22.37	11437485	37.10

3 Reserve and Surplus

	<u>31.03.2017</u>	<u>31.03.2016</u>
Share Premium	Rs., Lacs	Rs., Lacs
Balance as per last year	13,227.24	13,227.24
Total (i)	<u>13,227.24</u>	<u>13,227.24</u>
General Reserve		
Balance as per last year	27,654.08	27,654.08
Total (ii)	<u>27,654.08</u>	<u>27,654.08</u>
Surplus as per Statement of Profit & Loss		
Balance as per last year	(257,236.70)	(147,888.29)
Add : Surplus/(Deficit) brought from Statement of Profit & Loss	(11,023.88)	(109,348.41)
Total (iii)	<u>(268,260.58)</u>	<u>(257,236.70)</u>
Total (i+ii+iii)	<u>(227,379.26)</u>	<u>(216,355.38)</u>

3.1 Erosion of Net Worth and reference to the Board for Industrial and Financial Reconstruction (BIFR)

The operating results have been adversely affected due to adverse market conditions, non receipt of Tuff's subsidy and blockage of substantial funds in slow/ non moving stocks and debtors. The Company faced severe liquidity crunch and huge scarcity in the working capital funds. In order to partially mitigate the working capital fund's scarcity and rest the further deterioration in the quality



of stocks, the Company affected disposal of stocks of slow moving / non moving fabrics and finished goods at market prices, which in most of the cases was well below their cost, resulting in losses.

On account of the operational losses and consequent negative net worth, the Company made a Reference with the Board for Industrial and Financial Reconstruction in terms of the provisions of section 15(1) of Sick Industrial Companies (Special Provisions) Act 1985 on the basis of audited accounts as of September 30, 2014, which has since been registered by the Hon'ble BIFR as Case No. 54/2015. The reference of the Company has been abated on the ground that more than 75% of the secured creditors have taken action under section 13(4) of SARFAESI Act and the order of the same has been passed by the Hon'ble BIFR on dated May 30, 2016. The Company had filed an appeal against the order of Hon'ble BIFR with Appellate Authority for Industrial & Financial Reconstruction (AAIFR) and challenged the legal validity of the action taken by the secured creditors under section 13(4) of the SARFAESI Act. The Hon'ble AAIFR observed in his order passed on dated on October 21, 2016 that AAIFR have no jurisdiction to decide the legal validity of the action taken by the secured creditors under section 13(4) of the SARFAESI Act.

The Company had filed a petition before the Hon'ble High Court of Delhi and challenged the order passed by Hon'ble AAIFR on dated October 21, 2016. The Hon'ble High Court of Delhi in its order dated March 23, 2017 observed that a Gazette Notification No. 2792 dated 28.11.2016 was issued enforcing the Sick Industrial Companies (Special Provisions) Repeal Act, 2003 w.e.f. 1st December, 2016. With the enforcement of the said Repeal Act, the AAIFR and BIFR stand dissolved and all the proceedings of whatever nature pending before AAIFR and BIFR under SICA stand abated. The Hon'ble High Court of Delhi further observed that any company in respect of which, an appeal or enquiry stand abated, might make reference to the National Company Law Tribunal under the Insolvency and Bankruptcy Code. The Company is seeking legal advice on the observation made by the Hon'ble High Court of Delhi with regard to making reference before the jurisdictional National Company Law Tribunal.

4 Long Term Borrowings

- 4.1 The lenders of the Company recalled the borrowings granted to the Company under Securitisation and Recovery of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI). Accordingly, the Company has classified the outstanding long term borrowings from lender Banks as part of the current liabilities of the Company (Refer note no.7).

5 Short Term Borrowings

	<u>31.03.2017</u>	<u>31.03.2016</u>
SECURED	<u>Rs. Lacs</u>	<u>Rs., Lacs</u>
Working Capital Loans - from Banks		
Rupee Loans	<u>83,686.33</u>	<u>85,507.68</u>
Total	<u>83,686.33</u>	<u>85,507.68</u>

- 5.1 Working Capital loans from Banks, secured by hypothecation of stocks, book debts, bills and personal / corporate guarantee of whole time directors / Group Company / others. The borrowings (fund and non-fund based) are also collaterally secured by immovable properties owned by directors and associate concerns / others. The loans are collaterally secured by way of equitable mortgage on



3.1 second pari-passu charge basis with other banks on all present and future fixed assets of the Company.

6 Trade Payable

	<u>31.03.2017</u>	<u>31.03.2016</u>
	<u>Rs. Lacs</u>	<u>Rs., Lacs</u>
Micro, Small and Medium Enterprises	15.03	1.66
Others	802.68	1,259.49
Total	<u>817.71</u>	<u>1,261.15</u>

6.1 Based on the information available with the Company regarding the status of suppliers as defined under MSMED Act, 2006, there was no principle amount overdue and no interest was payable to the Micro Small and Medium Enterprises on March 31, 2017 as per the terms of contract.

7 Other Current Liabilities

	<u>31.03.2017</u>	<u>31.03.2016</u>
	<u>Rs. Lacs</u>	<u>Rs., Lacs</u>
Unclaimed Dividend	5.35	6.36
Creditors for Capital Expenditure	12.70	13.24
Rupee Term Loans From Banks	109,196.47	111,454.50
Foreign Currency Loan From Banks	21,936.95	22,383.40
Interest Payable on Bank Loan	70,032.32	65,980.49
Other Current Liabilities	539.30	748.71
Total	<u>201,723.09</u>	<u>200,586.70</u>

7.1 The other current liabilities as on March 31, 2017 includes outstanding statutory dues of Rs.346.40Lacs, i.e., Rs. 50.35Lacs, Rs. 115.62 lacs, Rs. 35.16 lacs, Rs. 2.98 lacs and Rs. 142.30Lacs, on account of TDS, ESIC, PF, Service Tax and Sales Tax respectively (Previous year: 559.48 Lacs)

7.2 lenders of the Company have recall the borrowings granted to the Company under Securitisation and Recovery of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI). Accordingly, the Company has classified the outstanding long term borrowings from Banks as current liabilities.

7.3 The foreign currency loans include USD 30 Million borrowed from ICICI Bank, which was restructured and an amount of USD 5 million borrowed from DBS Bank (outstanding as on March 31, 2017 is USD 3.82 million), which is under restructuring, details whereof are awaited, The agreement with DBS Bank provides UK jurisdiction.

7.4 The Term Loan, WCTL and FITL are secured against first pari-passu charge with other banks on present and future fixed assets of the Company, other than those exclusively financed by any other banks / financial institutions and second pari - passu charge with other banks on all present and future



current assets of the Company, and personal guarantee of the Director (Sh. A.K. Bansal), ex director (Ms. Anju Bansal) and corporate guarantee of associate concerns / entities. The loans are collaterally secured by equitable mortgage of land and building of associate concerns / others on pari-passu basis with other member banks.

- 7.5** lenders of the Company have initiated recovery action under Securitisation and Recovery of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) in respect of its dues. ICICI Bank has taken physical possession of the properties mortgage exclusively to the bank and consortium member banks has taken symbolic possession of the remaining assets of the company under the Securitisation and Recovery of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI). The Company is contesting the actions of the lenders and has reserved their right to claim for losses suffered by the Company.

Balances of Rupee Term Loan and Foreign Currency Loan are taken as appearing in the books of accounts of the Company and subject to reconciliation and confirmation as the Company is not in receipt of loan account statement from its lender Banks.

8 Short Term Provisions

	<u>31.03.2017</u>	<u>31.03.2016</u>
	<u>Rs. Lacs</u>	<u>Rs., Lacs</u>
Provision for Gratuity/ Leave Encashment	164.45	222.72
Other Provisions	(105.89)	(91.76)
Total	<u>58.56</u>	<u>130.96</u>

9 Depreciation

Tangible Assets

S.No.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 31-03-16	Additions	Deletions	As at 31-03-17	As at 31-03-16	For the year	On Deletions	Up to 31-03-17	As at 31-03-17	As at 31-03-16
1	Land	2,707.10	-	-	2,707.10	-	-	-	-	2,707.10	2,707.10
2	Building	14,540.44	-	-	14,540.44	2,147.52	167.99	-	2,315.51	12,224.93	12,392.92
3	Plant & Machinery	76,412.51	0.16	83.33	76,329.34	28,398.93	4,862.22	59.05	33,202.10	43,127.24	48,013.58
4	Furniture & Fixture	1,076.23	-	-	1,076.23	678.90	117.24	-	796.14	280.09	397.33
5	Vehicle	255.96	-	-	255.96	205.10	13.51	-	218.61	37.35	50.86
	TOTAL :	94,992.24	0.16	83.33	94,909.07	31,430.45	5,160.96	59.05	36,532.36	58,376.71	63,561.79
	Previous Year	90,534.57	5,589.29	506.57	95,617.29	15,720.87	4,475.91	66.79	20,129.99		



9.1 Pursuant to the enactment of Companies Act 2013, the Company has applied the estimated useful lives as specified in Schedule II. Accordingly, the unamortized carrying value is being depreciated/ amortized over the revised/ remaining useful lives.

9.2 The deletion of machinery consists items, which are scraped and will not be useable.

The Company has not provided depreciation on the assets situated at its units 126, 127 and 129E, NSEZ, Noida and B-8,9,10, Hosiery Complex, Phase-II, Noida, as the above units are exclusively mortgage to ICICI Bank and the said Bank has taken physical possession of the properties under the Securitisation and Recovery of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) for recovery of its dues from the above exclusively charged assets of the Company.

10 Non-Current Investments

	<u>31.03.2017</u>	<u>31.03.2016</u>
	<u>Rs., Lacs</u>	<u>Rs., Lacs</u>
In Equity Share of Associates Companies - Unquoted, Fully Paid		
Hanung Infra & Power Ltd.	198.50	198.50
1985000 (Pr.Yr. 1985000) Equity Shares of Rs. 10/- Each		
Hanung Retail Ltd.	91.65	91.65
916540 (Pr.Yr.916540) Equity Shares of Rs. 10/- Each		
Total	<u>290.15</u>	<u>290.15</u>
Aggregate market value of quoted investments	-	-
Aggregate value of unquoted investments	290.15	290.15

11 Long Term Loans and Advances

	<u>31.03.2017</u>	<u>31.03.2016</u>
	<u>Rs., Lacs</u>	<u>Rs., Lacs</u>
(Unsecured, considered good)		
MAT Receivable	-	2,404.00
State Capital Subsidy	30.00	30.00
Other Loans and Advances	294.44	254.56
Total	<u>324.44</u>	<u>2,688.56</u>

12 Other non-current assets

	<u>31.03.2017</u>	<u>31.03.2016</u>
	<u>Rs., Lacs</u>	<u>Rs., Lacs</u>
Income Tax receivable	1,093.36	1,093.36
Total	<u>1,093.36</u>	<u>1,093.36</u>

**13 Inventories**

	<u>31.03.2017</u>	<u>31.03.2016</u>
	<u>Rs., Lacs</u>	<u>Rs., Lacs</u>
Raw materials	658.75	1,336.15
Finished Goods	1,392.89	2,997.76
Total	<u>2,051.64</u>	<u>4,333.91</u>

14 Trade Receivables

	<u>31.03.2017</u>	<u>31.03.2016</u>
	<u>Rs., Lacs</u>	<u>Rs., Lacs</u>
(Unsecured and considered good)		
More than Six Months	1,032.09	2,289.89
Others	256.81	1,237.62
Total	<u>1,288.90</u>	<u>3,527.51</u>

14.1 The Company has filed recovery suits against certain debtors, namely, Sunham Home Fashions for Rs. 45.62 lacs (\$ 77371.84), Frontline Fashions Exports India Pvt. Ltd. for Rs. 66.42 lacs, Vastra International for Rs. 18.90 lacs and Gulati Exports House for Rs. 209.24 lacs (since settled in February 2013 for Rs. 150 lacs out of which Rs. 81.50 lacs have been received as per agreed schedule of payment and balance is yet receivable).

14.2 The Company had filed a claim with ECGC for Rs. 368.04 lacs (\$ 6.14 lacs) relating to non-payment by its customer, namely, Extreme Linen LLC, USA, which was rejected by ECGC. The Company is of the view that the claim was incorrectly rejected, and has filed a recovery suit against ECGC for the said amount of claim.

14.3 The Management considers its trade receivables are good and recoverable except those Outstanding from Elite Home Product Inc. (a USA company), outstanding for more than four years against which legal proceeding are pending for adjudication before New Jersey Court, USA.

15 Cash and Cash Equivalent

	<u>31.03.2017</u>	<u>31.03.2016</u>
	<u>Rs., Lacs</u>	<u>Rs., Lacs</u>
Balance with Scheduled Banks	16.64	19.71
Cash in hand	8.18	25.79
Fixed Deposits with Banks	16.44	15.51
Total	<u>41.26</u>	<u>61.01</u>

15.1 Fixed deposits with banks include the deposits pledged with banks for bank guarantee.



15.2 Balances of some of Bank accounts are taken as appearing in the books of accounts of the Company and the same are subject to reconciliation and confirmation as the Company is not in receipt of account statement from its bankers.

15.3 As required by Ministry of Corporate Affairs vide Notification No. GSR 308 (E) dated 30th March, 2017 regarding disclosure of detail of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as provided below:

	Specified Bank Notes (SBN)	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	3,85,500	36,171	4,21,671
(+) Permitted receipts *	-	2,70,000	2,70,000
(-) Permitted payments	3,35,500	1,26,004	4,61,504
(-) Amount deposited in Banks	50,000	-	50,000
Closing cash in hand as on 30.12.2016	-	13,667	1,80,167

* (Permitted receipts include of Rs. 2,70,000/- withdrawal from banks)

16 Short Term Loans and Advances

	<u>31.03.2017</u>	<u>31.03.2016</u>
	<u>Rs., Lacs</u>	<u>Rs., Lacs</u>
(Unsecured, considered good)		
Security Deposits	176.36	143.93
Prepaid Expenses	1.01	2.40
Export Incentive Receivable	103.59	274.89
Capital and Interest Subsidy (Tuff)	1,994.74	1,997.43
Other Advances	17.65	10.65
Total	<u>2,293.35</u>	<u>2,429.30</u>

16.1 The Punjab National Bank has given credit of interest subsidy (Tuff's subsidy) of Rs. 2.69 Lacs and same has been adjusted with balance of Term loan with the bank. The Company is in follow up with the authority of the State of Uttarakhand for recovery of Capital Subsidy and taking appropriate measure for recovery of Interest Subsidy (Tuff's subsidy).

17 Other Current Assets

	<u>31.03.2017</u>	<u>31.03.2016</u>
	<u>Rs., Lacs</u>	<u>Rs., Lacs</u>
Interest Accrued on FDRs	2.61	1.51
Total	<u>2.61</u>	<u>1.51</u>

**18 Revenue from operations**

	<u>2016-17</u>	<u>2015-16</u>
	<u>Rs., Lacs</u>	<u>Rs., Lacs</u>
SALE OF PRODUCTS		
Export Sales	26.69	918.15
Inland Sales	244.37	5,550.53
Export Incentives	-	59.46
Other Operating Revenue	600.57	2,885.66
Revenue from Operations	871.63	9,413.80
Less: Excise Duties	7.93	9.57
Revenue from Operations (Net)	<u><u>863.70</u></u>	<u><u>9,404.23</u></u>

19 Other Income

	<u>2016-17</u>	<u>2015-16</u>
	<u>Rs., Lacs</u>	<u>Rs., Lacs</u>
Bank Interest	1.86	5.57
Other non-operating Income	545.97	101.38
Total	<u><u>547.83</u></u>	<u><u>106.95</u></u>

20 Cost of material consumed

	<u>2016-17</u>	<u>2015-16</u>
	<u>Rs., Lacs</u>	<u>Rs., Lacs</u>
Raw Materials including packing materials consumed		
Opening Stock	1,336.15	25,667.88
Add : Purchases	283.36	4,854.86
	1,619.51	30,522.74
Less : Closing Stock	658.75	1,336.15
Total	<u><u>960.76</u></u>	<u><u>29,186.59</u></u>

21 Changes in inventories of finished goods, work-in-progress and stock-in-trade

	<u>2016-17</u>	<u>2015-16</u>
	<u>Rs., Lacs</u>	<u>Rs., Lacs</u>
Opening Stock		
Finished Goods	2,997.76	32,238.61



Work - in - progress	-	7,684.62
Subtotal (i)	<u>2,997.76</u>	<u>39,923.23</u>
Closing Stock		
Finished Goods	1,392.89	2,997.76
Subtotal (ii)	<u>1,392.89</u>	<u>2,997.76</u>
Total (i - ii)	<u><u>1,604.87</u></u>	<u><u>36,925.47</u></u>

22 Employee benefits expenses

	<u>2016-17</u>	<u>2015-16</u>
	<u>Rs., Lacs</u>	<u>Rs., Lacs</u>
Salaries, Wages & Allowances	341.76	427.29
Contribution to Provident Fund and Other Funds	21.72	54.57
Employees Welfare expenses	6.18	12.94
Total	<u><u>369.66</u></u>	<u><u>494.80</u></u>

22.1 Salaries, Wages & Allowances includes payments and provisions of remuneration to whole-time directors of Rs.12.00 lacs (previous year Rs.12.00 Lacs) and director's sitting fee of Rs.0.95 Lacs (previous year Rs.1.45Lacs).

23 Finance Cost

	<u>2016-17</u>	<u>2015-16</u>
	<u>Rs., Lacs</u>	<u>Rs., Lacs</u>
Interest Expenses	0.97	27,810.48
Other Borrowing Costs	5.79	9.23
Total	<u><u>6.76</u></u>	<u><u>27,819.71</u></u>

23.1 During the quarter ended March 31, 2017, the Company has not provided for interest on borrowings from Banks and Financial Institutions and also reversed the interest provided on borrowings for last 3 quarters for the financial year 2016-17 as the lenders of the Company had taken possession of assets of the Company under section 13(4) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002(SARFAESI).

24 Other expenses

	<u>2016-17</u>	<u>2015-16</u>
	<u>Rs., Lacs</u>	<u>Rs., Lacs</u>
Consumable of Stores & Spares	0.28	51.84
Design & Testing Charges	0.85	22.56
Direct Wages	63.57	842.27



Factory Rent	31.90	40.97
Freight Inward	0.97	38.26
Job Work Charges	2.11	2.84
Power & Fuel	438.10	1,401.44
Business Promotion	4.48	5.77
Cellular & Telephone Expenses	4.63	7.06
Courier, Postage and Telegram	4.29	4.09
ECGC Premium	-	95.00
Insurance Charges	3.25	11.47
General Expenses	1,181.95	706.25
Printing and Stationery	6.15	10.48
Professional & Legal Charges	64.47	118.75
Payment to Auditors	2.88	2.50
Rent, Rates & Taxes	21.33	19.12
Repairs to building	4.96	3.53
Repairs to machinery	22.54	181.74
Repairs others	13.52	24.20
Security Watch and Ward Expenses	39.73	48.42
Local Conveyance	3.00	7.98
Travelling expenses	17.00	17.40
Advertisement and Publicity	1.56	2.77
Net loss/(gain) on foreign currency transaction and translation	1.02	1,778.84
Freight and Forwarding	5.17	85.38
Rebate, Discount and Commission	(11.31)	73.16
Total	<u>1,928.40</u>	<u>5,604.09</u>

25 Remuneration to Auditors

	<u>2016-17</u>	<u>2015-16</u>
	<u>Rs., Lacs</u>	<u>Rs., Lacs</u>
Audit Fees	2.88	2.50
Total	<u>2.88</u>	<u>2.50</u>

- 26** Deferred Tax adjustments resulting from items of timing differences have been measured using the rates and tax laws enacted or substantially enacted as on 31st March, 2017 and the same results into the Deferred Tax Assets (net), which has not been recognized by the Company following Accounting Standard 22, as the Company is unable to estimate with certainty its ability to absorb the amount of losses against future taxable income and the tax savings are therefore, not quantifiable.

**27 Foreign Currency Transactions****27.1 Value of imports on CIF basis**

	<u>2016-17</u>	<u>2015-16</u>
	<u>Rs., Lacs</u>	<u>Rs., Lacs</u>
Raw Materials	1.02	85.10

27.2 Expenditure in foreign currency

Raw Materials	1.02	85.10
Travelling expenses	3.81	5.28
Others	4.39	48.20
Total	<u>9.22</u>	<u>138.59</u>

27.3 Earnings in foreign exchange (on FOB basis)

Stuff Toys etc.	5.69	119.71
Sheet Set, Duvet, Curtain etc.	21.00	798.44
Total	<u>26.69</u>	<u>918.15</u>

28 Value of Imported and indigenous raw materials, stores and spares purchased with their percentages

	<u>2016-17</u>		<u>2015-16</u>	
	Rs. in Lacs	%	Rs. in Lacs	%
Imported	1.02	0.36	85.10	1.75
Indigenous	282.34	99.64	4,769.76	98.25
Total	283.36	100.00	4,854.86	100.00

29 Contingent Liabilities and commitments

	<u>2016-17</u>	<u>2015-16</u>
	Rs., Lacs	Rs., Lacs
Bank Guarantees	21.45	14.68
Income Tax under dispute	5859.55	196.23
Claim against company not acknowledged as debts	2,216.37	2,216.37



29.1 There are legal cases filed by certain creditors against the Company for recovery of their dues. Since, the claims of the creditors are disputed by the Company, based on the legal advice in the matter, the Company does not consider it necessary to make any provision to this affect in its books of account, except Original Application filed by Standard Chartered Bank before the Hon'ble DRT-II, Delhi for recovery of its claim amounting to Rs. 2216.37 lacs and on the other hand, the Company has also filed a recovery suit with appropriate authority against some financial institutions/bankers.

30 Segment Information

The Company is principally engaged in the business of Toys and Home Furnishings. Accordingly, there are two reportable segments as per Accounting Standard (AS 17) issued by the Institute of Chartered Accountant of India on 'Segment Reporting', which have been disclosed below.

Particulars		Stuff Toys		Home Furnishings		Total	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
I.	Primary Segment Business						
A	Segment Revenue						
	Sales to External Customers excluding Export Benefits	58.99	188.71	804.71	6,270.40	863.70	6,459.11
	Other Income including Export Benefits	21.24	5.17	526.60	3,046.90	547.84	3,052.07
	Total Segment Revenue	80.23	193.88	1,331.31	9,317.30	1,411.54	9,511.18
B	Segment Result						
	Profit before Financial Overheads, Income Tax and exceptional Items	(726.38)	(6,009.81)	(7,886.74)	(61,972.59)	(8,613.12)	(67,982.40)
	Less : Interest and Finance Charges	0.66	779.21	6.10	27,040.50	6.76	27,819.71
	Profit before Income Tax and exceptional Items	(727.04)	(6,789.02)	(7,892.84)	(89,013.09)	(8,619.88)	(95,802.11)



	Less : Exceptional Items (Prior Period Expenses / Income)	-	11.29	-	7.01	-	18.30
	Profit before Tax	(727.04)	(6,800.31)	(7,892.84)	(89,020.10)	(8,619.88)	(95,820.41)
	Provision for Current Tax	-	-	-	-	-	-
	Provision for Deferred Tax	-	-	-	-	-	-
	Profit after Tax	(727.04)	(6,800.31)	(7,892.84)	(89,020.10)	(8,619.88)	(95,820.41)
C	Segment Assets						
	Carrying Amount Allocated	4,092.35	4,539.23	54,284.36	59,022.56	58,376.71	63,561.79
	Unallocated Assets	-	-	-	-	7,385.71	14,425.31
	Total Assets	4,092.35	4,539.23	54,284.36	59,022.56	65,762.42	77,987.10
D	Segment Liabilities						
	Carrying Amount Allocated	157.52	462.63	381.78	605.68	539.30	1,068.31
	Unallocated Liabilities	-	-	-	-	288,752.19	289,423.98
	Total Liabilities	157.52	462.63	381.78	605.68	289,291.49	290,492.29
E	Cost of Fixed Assets Acquired						
	Allocated Fixed Assets Acquired	0.16	0.65	-	4.49	0.16	5.14
	Unallocated Fixed Assets	-	-	-	-	-	-
	Total Fixed Assets acquired	0.16	0.65	-	4.49	0.16	5.14
F	Depreciation / Amortization						
	Allocated	447.06	526.55	4,713.90	4,756.08	5,160.96	5,282.63
	Unallocated	-	-	-	-	-	-
II.	Secondary Segment Geographical	-					
	Export Revenues	5.69	119.71	21.00	798.44	26.69	918.15
	Domestic Revenues	60.31	78.57	184.06	5,471.96	244.37	5,550.53
	Total	66.00	198.28	205.06	6,270.40	271.06	6,468.68

The Company's operating facilities are located in India

**31 Related Party Transactions**

As per Accounting Standard 18 issued by The Institute of Chartered Accountants of India, the Company's related parties and transactions with them are disclosed below:

31.1 Names of related parties:**(a) Associate**

- 1 Hanung Furnishings Pvt. Ltd.
- 2 Hanung Processors Pvt. Ltd.
- 3 Praneet Softech Pvt. Ltd.
- 4 C K Software Pvt. Ltd.
- 5 Abhinav International Pvt. Ltd.
- 6 Hanung Retail Ltd.
- 7 Hanung Infra & Power Ltd.
- 8 Glofing Investment & Finance Co. Pvt. Ltd.

(b) Key Management Personnel

1. Mr. Ashok Kumar Bansal
(Chairman & Managing Director)
2. Mr. Mukesh Kumar
(Non-Executive Director)
3. Mr. Lalit Chawla
(Company Secretary)
4. Mr. Sunil Mittal (CFO)

31.2 Transactions with Related Parties

(Rs in Lac)

S.No.	Nature of Transaction	Associate Companies		Key Management Personnel	
		31.03.17	31.03.16	31.03.17	31.03.16
1	Purchase of Goods & Services	8.40	31.33	0.39	0.33
2	Sale of Goods & Services	Nil	6.82	Nil	Nil
3	Advance Outstanding / Receivable	Nil	Nil	Nil	Nil
4	Managerial Remuneration	Nil	Nil	49.56	32.52
5	Dividend	Nil	Nil	Nil	Nil
6	Subscription to share capital	Nil	Nil	Nil	Nil

**32. Earning Per Equity Share**

Basic Earnings Per Share	31.03.2017	31.03.2016
Profit / (Loss) after tax as per Statement of Profit and loss (In Rs. Lacs)	(11,023.88)	(109,348.41)
Weighted Average Number of Equity Shares Outstanding as at the end of the year	30822775	30822775
Basic and diluted Earnings per Share (Face Value Rs.10/-)	(35.77)	(354.71)

33. The unclaimed dividend amounting to Rs. 1.01 lacs for the financial year 2008 -09 has been transferred to Investor Education and Protection Fund as at March 31,2017.

34. Debtors, Loans & Advances and Creditors in some cases are subject to reconciliation and confirmation.

35. Comparative figures for the previous year have been regrouped, recast and re-arranged wherever necessary.

As per our report of even date attached

For RAVINDRA SHARMA & ASSOCIATES
Chartered Accountants

(CA Ravindra Sharma)
Partner
Membership No. 085271

Place : Noida
Date : May 30, 2017

For and on behalf of the Board

Ashok Kumar Bansal
Chairman-cum-Managing Director

Mukesh Kumar
Non Executive Director

Lalit Chawla
Company Secretary

Sunil Mittal
CFO

FORM AOC-1

Statement pursuant to section 19(3) of the Companies Act 2013, related to Associate Companies :

Name of Associates		Hanung Retail Ltd,	Hanung Infra and Power Ltd.
1	Latest Audited Balance Sheet Date	31.03.017	31.03.017
2	Date on which the Associates was Associated oracquired	18.03.010	29.03.010
3	Shares of Associate held by the Companyon the year end	31.03.017	31.03.2017
	No.	916540	1985000
	Amount (in Rs.) of Investment in Associates	91.65 lacs	198.50 lacs
	Extent of holding (in %)	3%	6%
4	Description of how there is significant influence	Shareholding is more than 20%	Shareholding is more than 20%
5	Reason why the associates is not consolidated	Because of composition of board of directors	Because of composition of board of directors
6	Net worth attributable to shareholding as per latest audited Balancesheet	123.34 lacs	310.10 lacs
7	Profit or Loss for the year	(-)2.74 lacs	(-)101.26 lacs
(i)	Considered in Consolidation		
(ii)	Not Considered in Consolidation		

**HANUNG TOYS AND TEXTILES LIMITED****CIN : L74999DL1990PLC 041722****Registered Office :** E-93, 3rd Floor, Greater Kailash Enclave-I, New Delhi-110048**Tel:** 91-120-2567501; **Fax :** 91-120-3042099**E-mail:** investor@hanung.com;hanungcorp@gmail.com **Website :** www.hanung.com**ATTENDANCE SLIP**

Sr. No.

Registered Folio No./ DP ID & Client ID	
Name and address of the Member(s)	
Joint Holder 1	
Joint Holder 2	
No. of Shares	

I / we record my / our presence at the “TWENTY- SEVENTH ANNUAL GENERAL MEETING” of the Company to be held on Tuesday, September 26th, 2017 at 11.30 A.M at Muktheadhara Auditorium, Banga Sanskriti Bhawan Trust 18-19, Bhai Veer Singh Marg, Gole Market New Delhi-110001.

.....
Member's / Proxy's name in Block Letters.....
Member's /Proxy's Signature

Note: Please fill the name and DP Id/ Folio No. and sign this Attendance Slip and deposit the same with the Company officials at the venue of the Meeting.

ELECTRONIC VOTING PARTICULARS**EVENT****(Electronic voting event Number)****User ID****Password****Note :**

1. Please read the instructions printed under the notes to the Notice of the 27th Annual General Meeting to be held on Tuesday, September 26th, 2017 at 11.30 A.M.
2. The remote E-Voting period starts from 9.00 A.M on 23th September, 2017 and ends on 25th September, 2017 at 5.00 P.M. The voting module shall be disabled by 5.00 P.M on 25th September, 2017 for voting thereafter.

**HANUNG TOYS AND TEXTILES LIMITED****CIN : L74999DL1990PLC 041722****Registered Office :** E-93, 3rd Floor, Greater Kailash Enclave-I, New Delhi-110048**Tel:** 91-120-2567501; **Fax :** 91-120-3042099**E-mail:** investor@hanung.com; **Website :** www.hanung.com**Form No. MGT-11****PROXY FORM**

**[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the
Companies (Management and Administration) Rules, 2014]
TWENTY- SEVENTH ANNUAL GENERAL MEETING 2016-17**

Name of the Member(s)

Registered Address

Folio No. / DP ID and Client ID

I / we being the Member(s) holdingshares of Hanung Toys &
Textiles Limited, hereby appoint:

1	Name:-	Address:-
	Email Id:-	Signatures: Or failing him
2	Name:-	Address:-
	Email Id	Signatures

as my / our proxy to attend and vote (on a poll) for me/ us and on my / our behalf at the 27th Annual General Meeting of the Company scheduled to be held on Tuesday, September 26th, 2017 at 11.30 A.M at Muktheadhara Auditorium, Banga Sanskriti Bhawan, Trust 18-19, Bhai Veer Singh Marg, Gole Market New Delhi-110001 and at an adjournment thereof, in respect of such resolutions are indicated below:

**Summary of business to be transacted at the Annual General Meeting**

Ordinary Business				
Item No.	Resolution(for details refer to the notice of the 27th Annual General Meeting dated 26th September, 2017)	Vote*		
		For	Against	Abstain
1	Adoption of the Financial Statements of the Company for the Financial year ended 31 st March, 2017, and the reports of the Board of Directors and Auditors thereon			
2	Reappointment of Mr. Mukesh Kumar as Director, who retires by rotation, and being eligible offers himself for re-appointment			
3	Ratification of the appointment of M/S Ravindr a Sharma & Associates Chartered Accountants as Statutory Auditors of the Company to hold office till the conclusion of next Annual General Meeting			

Signed this.....day of....., 2017

Folio No. / DP ID and Client ID:

Signature of Member:.....

Signature of Proxy holder.....

Please affix
Revenue
Stamp of
Proper
value

Note:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Meeting.
- A proxy need not be a member of the Company
- A person can act as a proxy on behalf of members not exceeding fifty(50) and holding an aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other shareholder.
- It is optional to indicate your preference by placing a tick (✓) mark at the appropriate box. If you leave the 'FOR', 'AGAINST' or 'ABSTAIN' column blank against any or all the resolution, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

**HANUNG TOYS AND TEXTILES LIMITED****CIN : L74999DL1990PLC 041722****Registered Office :** E-93, 3rd Floor, Greater Kailash Enclave-I, New Delhi-110048

Tel: 91-120-2567501; Fax : 91-120-3042099

E-mail: investor@hanung.com; **Website :** www.hanung.com**BALLOT PAPER**

(in lieu of e- Voting)

S. No	Particulars	Details
1	Name of the Shareholder	
2	Postal Address	
3	Registered Folio/DP ID & Client ID*	
4	Class of Shares	

* Either Registered Folio or DP Id & Client Id-Compulsory

I/we hereby exercise my vote in respect of the Resolutions enumerated below by recording my/our assent or dissent to the said Resolution(s) in the following manner:

Ordinary Business				
Item No.	Resolution (for details refer to the notice of the 27 th Annual General Meeting dated 26 th September, 2017)	Vote*		
		For	Against	Abstain
1	Adoption of the Financial Statements of the Company for the Financial year ended 31st March, 2017, and the reports of the Board of Directors and Auditors thereon.			
2	Reappointment of Mrs. Mukesh Kumar, as Director, who retires by rotation, and being eligible offers himself for reappointment.			
3	Ratification of the appointment of M/S Ravindr a Sharma & Associates Chartered Accountants as Statutory Auditors of the Company to hold office till the conclusion of next Annual General Meeting.			

Place:-.....

.....

Date:-.....

(Signature of Shareholder)

(Please refer to Instructions Overleaf)

**INSTRUCTIONS**

1. Members may fill up the ballot paper by placing the tick (✓) mark at the appropriate box above and submit the same in sealed envelope to the Scrutinizer Mr. Surinder Vashistha, Surinder Vashistha & Associates, Company Secretaries, C/o Hanung Toys & Textiles Limited, Company Secretary, 108-109 Noida Special Economic Zone. Noida Uttar Pradesh, 201305 so as to reach not later by 25th September, 2017 by 6:00 p.m. Ballot paper received thereafter will be treated as invalid.
2. The Company will not be responsible if the envelope containing the Ballot Paper is lost in transit
3. Unsigned, incomplete or incorrectly ticked Ballot papers are liable to be rejected and the decision of the Scrutinizer on the validity of the same will be final.
4. In the event member casts his/her vote by both processes i.e. E- Voting and Ballot paper, the votes casted through E-Voting process would be considered and Ballot paper would be ignored,
5. The right to vote by this Ballot paper shall not be exercised by a proxy.
6. To avoid fraudulent transactions, the identity/signatures of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of the members holding shares in physical form as per the records of the Registrar & Transfer Agent of the Company. Members are requested to keep the same updated.
7. There will be one Ballot Paper for every Folio/DP Id & Client ID irrespective of the number of joint members.
8. In case of joint holders the Ballot papers should be signed by the first named shareholder and in his/her absence by the next named shareholders. Ballot papers signed by a Joint shareholder shall be treated as valid if the signatures as per the records available with the Company/ Registrar & Transfer Agent and the Company shall not entertain any objection on such Ballot Papers signed by joint shareholders.
9. Where the Ballot paper is signed by an authorized representative of the Body Corporate/Trust/Society etc. a certified copy of the relevant authorization /Board Resolution to vote should accompany the Ballot paper.
10. Instructions for E-Voting procedure are available in the Notice of the Annual General Meeting and are also placed on the website of the Company.



To,
The Company Secretary,
Hanung Toys & Textiles Limited,
108-109, NSEZ Noida- 201305
Uttar Pradesh

Date:-

Subject:- Request to send Notices, Annual Reports etc. of the Company on Email in future.

Dear Sir,

I request the Company to send all the Notices, Annual Reports, etc. of the Company in future on Email as detailed below.

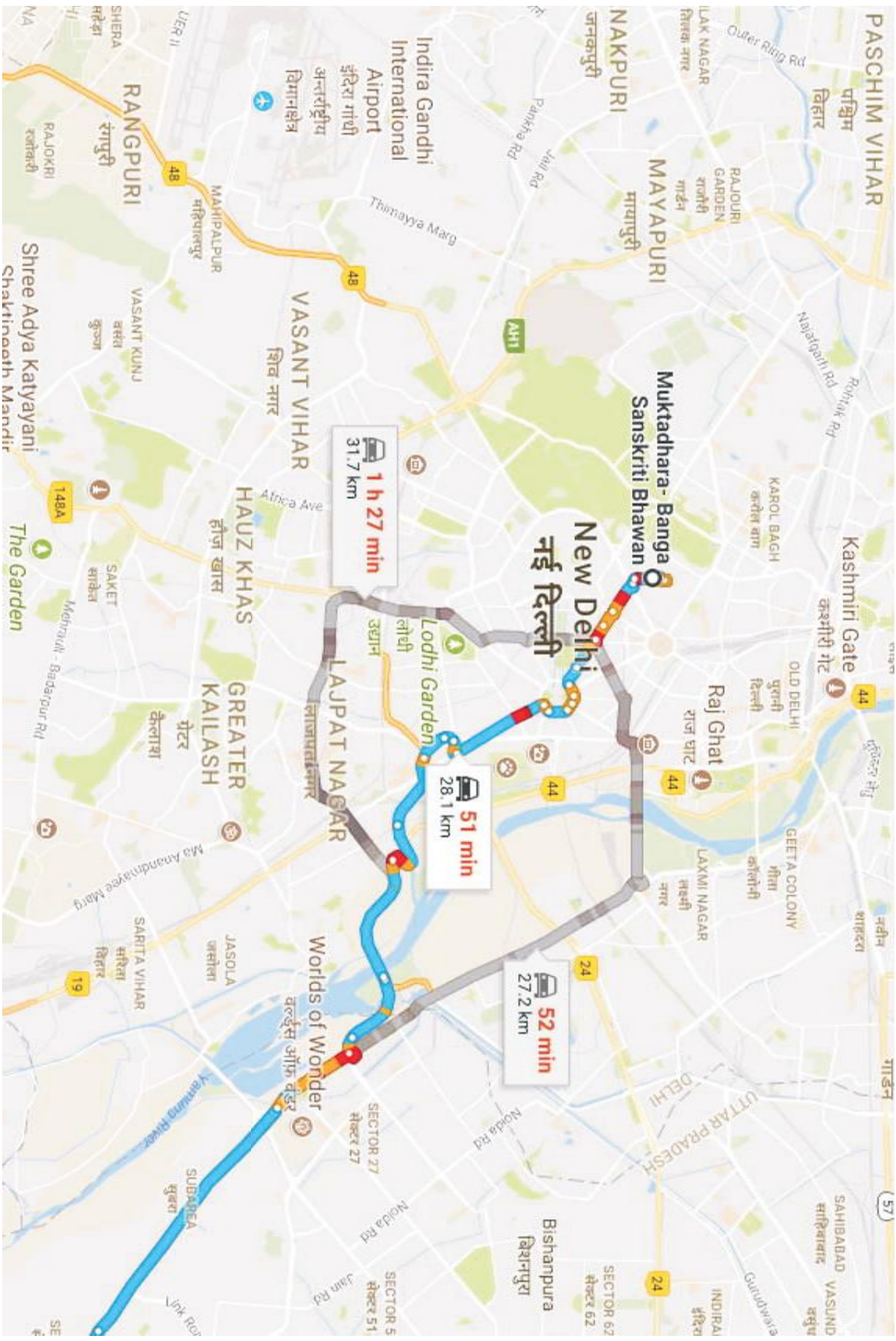
Detailed below:	
Name of the Shareholder	1.
	2.
	3.
Folio No.	
Email Id	

Thanking You,

Yours Faithfully

Signature of 1st Shareholder	Signature of 2nd Shareholder	Signature of 3rd Shareholder
--	--	--

MAP OF AGM VENUE



If undelivered please return to :

Hanung Toys and Textiles Limited
108-109, NSEZ, Noida-201305 (U.P.)

Book Post



HANUNG