

# **ANNUAL REPORT**

2014 - 2015



**BHUWALKA STEEL INDUSTRIES LIMITED**

"Bhuwalka Centre", No.71, III Cross, Residency Road, Bangalore- 560 025.



<b>BOARD OF DIRECTORS</b>	:	<b>Shri. Suresh Kumar Bhuwalka</b> <i>Chairman and Managing Director</i> <b>Shri. Ajay Kumar Bhuwalka</b> <b>Shri. Ankit Bhuwalka</b>
<b>AUDITORS</b>	:	<b>M/s. ASR Associates</b> Chartered Accountants Bellary
<b>BANKERS</b>	:	<b>Canara Bank</b> <b>IDBI Bank Ltd.</b> <b>Indian Overseas Bank</b>
<b>REGD. OFFICE</b>	:	No.71, III Cross Residency Road Bangalore - 560 025
<b>CIN NUMBER</b>	:	L27209KA1981PLC004343
<b>FACTORIES</b>	:	1) at 10th Mile Old Madras Road, Bangalore - 560 049.  2) 204, Mauji Khupri Taluka Wada, District Thane Mumbai - 421 312.
<b>SHARE TRANSFER AGENTS</b>	:	<b>Integrated Enterprises (India) Ltd.</b> No. 30, Ramana Residency Ground Floor, 4th Cross Sampige Road, Malleswaram Bangalore - 560 003.



**NOTICE**

Notice is hereby given that the 33<sup>rd</sup> Annual General Meeting will be held on Monday, the 9<sup>th</sup> November, 2015, at 12.30 P.M. at Hotel Woodlands, No. 5, Raja Ram Mohan Roy Road, Bangalore - 560 025 to transact the following business.

**ORDINARY BUSINESS:**

1. To receive Consider and adopt the Audited Financial Statements (including consolidated financial statements) of the Company for the financial year ended March 31, 2015, and the Reports of the Directors' and the Auditors' thereon.

2. Re-appointment of Mr. Suresh Bhuwalka as a Director liable to retire by rotation

To consider and to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** Mr. Suresh Bhuwalka (DIN 00092058), who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company liable to retire by rotation."

3. Appointment of Statutory Auditor

To consider and to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/S. ASR Associates, Chartered Accountants, having ICAI Firm Registration No.8877S, who have offered themselves for re-appointment and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Act, and Rule 4 of the Rules, be and are hereby re-appointed as Statutory Auditors of the Company for the Company's for the financial years 2015-16 to 2017-18 and to hold office from the conclusion of this Annual General Meeting until the conclusion of the 34<sup>th</sup> Annual General Meeting of the Company on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to service tax and re-imbursement of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company.

**SPECIAL BUSINESS:**

4. Appointment of Managing Director

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

**"RESOLVED THAT** pursuant to the Provisions of Section 196, 197, 203 and all other applicable provisions of the Companies Act, 2013, if any, consent of the company be and is hereby accorded for the appointment of Shri Ajay Kumar Bhuwalka as Managing Director for a period of 5 years with effect from 13.11.2014 on a monthly remuneration of Rs.90,000/- and other benefits and perquisites and such other benefits as per the company's rules wherever applicable ".

**"RESOLVED FURTHER THAT** the Board of Directors, be and are hereby authorised to alter, vary, and modify the terms and conditions of appointment of Shri. Ajay Kumar Bhuwalka, from time to time, during his tenure as Managing Director of the Company including salary, perquisites, allowances payable to him, provided however that the total remuneration payable to him shall not at any time exceed the limit prescribed under Schedule V and all other applicable provisions of the Companies Act, 2013."

**NOTES:**

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a Member of the Company.
2. The instrument appointing a Proxy shall be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the Meeting.
3. The Register of Members and Share Transfer Book of the Company will remain closed from 6<sup>th</sup> November, 2015 to 09<sup>th</sup> November, 2015 (both days inclusive).
4. Queries on accounts and Operations of the company, if any, may please be sent to the company at least 15 days in advance of the Meeting.
5. Members are requested to bring their copies of the Annual Report to the meeting.



6. Members/proxies should bring their attendance slip sent herewith duly filled in for recording the attendance at the meeting.
7. Statement containing the details of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting is attached.
8. Members are requested to notify the Registrars and Transfer Agents of the Company, Integrated Enterprises (India) Ltd., No.30, Ramana Residency, 4th cross, Sampige Road, Malleswaram, Bangalore 560 003 or the company at its Registered Office of any change in address quoting their Folio Number(s), in respect of shares held in electronic form, instructions regarding change in address be furnished to members' Depository Participant only.
9. In view of the Green Initiative, Members are also requested to inform the Registrars and Transfer Agents of the Company, Integrated Enterprises (India) Ltd., No.30, Ramana Residency, 4th cross, Sampige Road, Malleswaram, Bangalore 560 003 or the Company at its Registered Office their 'EMAIL IDS' to enable the Company to communicate and deliver the information / notices / documents etc. to all the shareholders electronically.
10. Explanatory statement pursuant to section 102 of the Companies Act, 2013 for the special business is annexed hereto.

Registered Office:  
No.71, III Cross  
Residency Road  
Bangalore - 560 025  
Date :29th September,2015

By Order of the Board

**(AJAY KUMAR BHUWALKA)**  
*Managing Director*

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on November 6, 2015 (9:00 AM) and ends on November 8, 2015 (5:00 PM). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date November 2, 2015 of may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

**For Members holding shares in Demat Form and Physical Form**

- PAN** Enter your 10 digit alpha-numeric \*PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
- Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.
  - In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.



- DOB Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
- Dividend Bank Details Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
- Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).
- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) Mr. Manoj Rajan, Practicing Company Secretary (Membership No. ACS 19865 & CP No. 13851) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (xx) The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.autoaxle.com](http://www.autoaxle.com) and on the website of CDSL within three (3) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).



**Explanatory statement pursuant to Section 102****Item No.4**

Sri Ajay Kumar Bhuwalka was appointed as the Managing Director on the Board of the Company on 13<sup>th</sup> November, 2014 by the Board of Directors in Place of Shri. Suresh Kumar Bhuwalka, Chairman & Managing Director. Shri Suresh Kumar continues as Director and Chairman and he is looking after day to day affairs of the Company. Directors are proposing to reappoint him as such for a further period of 5 years w.e.f. 01.11.2014 subject to approval of members at the annual general meeting on a monthly remuneration of Rs.90,000/-, and other benefits and perquisites and such other benefits as per the company's rules wherever applicable. Terms and Conditions of the appointment are as follows:

**1. Period**

Five years commencing from 13<sup>th</sup> November, 2014

**2. Remuneration**

Subject to overall limit laid down under Section 197 & 198 of the Companies, 2013 and provisions of Schedule V, Mr. Ajay Kumar Bhuwalka shall be entitled to receive from Company remuneration of Rs. 90,000/- per month:-

The aforesaid perquisites other than benefits of Provident Fund, Gratuity Fund, and Leave encashment, shall be restricted to the annual salary of Mr. Ajay Kumar Bhuwalka.

Provided that the total remuneration payable to him by way of salary, commission, perquisites, contributions towards Provident Fund, and Gratuity Fund on his account shall not exceed the limits calculated in accordance with Section 197 & 198 of the Companies, 2013.

In the event of loss or inadequacy of profits in any year during the tenure of office, the remuneration payable to him for that year shall be determined and allocated by the Board within the ceiling limit laid down in paragraphs (A) of Section II of Part II of Schedule V to the Companies Act, 2013.

**3. Termination**

This appointment may be terminated by any party herein, by giving to the other party, a six months notice in writing.

**4. The Managing Director shall not be entitled to any sitting fees for attending the meetings of the Board of Directors/ committee of Directors****5. The appointment of Mr. Ajay Kumar Bhuwalka as Managing Director and remuneration payable to him are in line with Schedule V to the Companies Act, 2013 subject to the approval of members to be obtained at this Annual General Meeting and to the extent any of the provisions herein are inconsistent or contrary to terms of such approval, the latter will prevail.**

All the directors are concerned or interested in the above resolution.

Registered Office:  
No.71, III Cross  
Residency Road  
Bangalore - 560 025  
Date: 29th September,2015

By Order of the Board

**(AJAY KUMAR BHUWALKA)**  
*Managing Director*



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**Annual Report 2014- 2015**

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**Details of Directors seeking appointment / re-appointment at 33rd Annual General Meeting (In pursuance of Clause 49 of Listing Agreement)**

Name of Director	<b>Shri Suresh Kumar Bhuwalka</b>
Date of Birth	01.11.1950
Qualification	B.Com
Expertise in specific functional area	More than 37 years experience as Industrialist in Manufacturing
List of other companies in which Directorship held	Nava Karnataka Steels Pvt. Ltd., Benaka Sponge Iron Pvt. Ltd., Mahesh Sponge Iron & Power Ltd., Shri Durga Trade Links Pvt. Ltd., Bhuwalka Metal Industries Pvt. Ltd., Bhuwalka Jewellers Ltd., Bhuwalka Steel Industries FZC
Chairman/ Member of the Committees of the Board of Directors of other Companies In which he is a Director	Share Transfer Committee Chariman



## DIRECTORS' REPORT

### TO THE MEMBERS OF BHUWALKA STEEL INDUSTRIES LIMITED:

Your Directors have pleasure in presenting before you the 33rd Annual Report of the Company together with Audited Statement of Accounts for the Twelve Months Period ended 31st March, 2015.

#### 1. FINANCIAL RESULTS:

(Rs. in Lakhs)

Particulars	2014 – 15 (12 months)	2013 – 14 (6 months)
Total Income	<b>39285.29</b>	16838.80
Profit/(Loss) before Interest, Depreciation and Taxation	<b>(1383.07)</b>	(1069.70)
Less: - Interest	<b>5.61</b>	1151.56
<b>Less:- Depreciation/Amortization</b>	<b>522.05</b>	304.09
Profit/(Loss) Before Tax before Extraordinary item	<b>(1910.73)</b>	(2525.36)
Add:- Profit from Extraordinary item	<b>1311.98</b>	–
Profit/(Loss) Before Tax After Extraordinary item	<b>(598.74)</b>	(2525.36)
Less:- Income Tax for the year(including FBT and Deferred taxation)	<b>931.73</b>	596.05
Less:- Income tax for earlier years	–	–
Profit After Tax	<b>332.98</b>	(1929.30)
Add: Balance of profit brought forward From last year	<b>(1337.27)</b>	592.03
<b>Appropriations:</b>		
Proposed Dividend with Dividend taxon Equity shares	–	–
Balance of Profit carried forward	<b>(1004.30)</b>	(1337.27)

#### 2. OPERATIONS REVIEW:

The current year operational figures are for 12 months period from 01.04.2014 to 31.03.2015 as against previous year figures which are for 6 months period. Total income from operations during the period of twelve months under review was Rs. 39285.29 lakhs as compared to Rs. 16838.80 lakhs in the previous year (6 months). The company has made a profit of Rs.332.98 lakhs as compared to previous year the Company has suffered a loss after tax of Rs. 19,29.30 lakhs (after extra ordinary items). Main reason for losses was Lower capacity utilization of production capacities due to inadequate working capital during most of the period of reported FY.

Company is endeavoring hard to overcome the issues of poor demand in Infra and Real Estate by innovative marketing strategies and also focusing in optimizing its capacity utilization. However short of working capital is impacting the efforts negatively.

Company is taking Suitable measures to resolve the banking issue, which will provide flexibility to infuse fresh funds and sell noncore assets to improve liquidity for working capital and consequently increase capacity utilization. The management is hopeful that these measures will enable to increase the volumes and also the profitability and liquidity of the company.

#### 3. DIVIDEND

Your Directors express their inability to recommend any dividend in view of huge losses incurred by the Company.

#### 4. DISCLOSURES OF AMOUNTS, IF ANY, TRANSFER TO ANY RESERVES.

It is not proposed to carry any amount to any reserves from the profits of the Company. Hence, disclosure under Section 134 (3) (j) of the companies act, 2013 is not required.



**5. SUBSIDIARY COMPANY**

Company currently has only one wholly owned Subsidiary, M/s. Benaka Sponge Iron Private Limited. Subsidiary Company is into manufacturing of sponge Iron products from iron ore and pallets. While preparing consolidated financials of the company, Financials of M/s Benaka Sponge Iron Private Limited has been consolidated as per Accounting Standard- 21 of ICAI.

During the financial year 2014-15 the company has disinvested its total investments in joint venture company Bhuwarka Steel Industries FZC, UAE.

**6. Deposit**

The Company has not accepted any deposit during the year.

**7. CONSERVATION OF ENERGY:**

Total energy consumption and energy consumed per unit of production as per Form 'A' is annexed - forming part of this Report.

**8. TECHNOLOGY ABSORPTION:**

The Company is keeping abreast of the latest developments in product technology, manufacturing process and methods and using indigenous technology.

**9. FOREIGN EXCHANGE EARNINGS AND OUTGOINGS:**

Foreign Exchange Earnings and Expenditure are given under Point 8 (E) and 8 (F) of Note '23' forming part of the Accounts for the Period ended 31st March, 2015.

**10. PERSONNEL:**

Industrial Relations remained cordial through out the year.

There are no employees of the categories specified under Section 134 of the Companies Act, 2013 read with Companies (Particulars of Employees) Rules, 1975 as amended. Hence, this information is not given.

**11. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

Due to non servicing of the debt post re-structuring the company Account has been classified as NPA by the bankers. The company however is taking suitable measure to resolve the same.

**12. DETAILS OF DIRECTORS AND KMP:**

Sri Suresh Kumar Bhuwarka retires by rotation at the forthcoming Annual General Meeting and being eligible, offer himself for re-appointment.

During the year Mr. Munish Mohan, Nominee Director appointed in the place of Smt. Visalakshi Vasanthan who retired with effect from 08/05/2014 and Mr. Munish Mohan retired with effect from 14/02/2015 due to withdrawal of Nomination by the appointing Authority i.e., IDBI Bank Ltd. and Mr. K C Kondaiah retired with effect from 08/05/2014.

Mr. Ajay Kumar Bhuwarka appointed as Managing Director of the Company in the Board Meeting held on 13.11.2014 and the same is being considered in the ensuing Annual General Meeting being held on 9/11/2015.

**13. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS PURSUANT TO RULE 8 (5) (viii) OF COMPANIES (ACCOUNTS) RULES, 2014:**

The Company has an adequate Internal financial control system, commensurate with the size of its business operations.

**14. SECRETARIAL AUDIT REPORT:**

Mr. Manoj Rajan, Practicing Company Secretary Membership No. ACS 19865 was appointed to conduct the Secretarial Audit of the Company for the Financial Year 2014-15, as required under section 204 of Act and Rules made their under. The Secretarial Audit Report, in the prescribed Form MR-3 is annexed to this report.

**15. BOARD MEETING:**

During the financial year 2014-15, the Board met 6 times on the following dates 08.05.2014, 30.05.2014, 14.08.2014, 13.11.2014, 14.02.2015 and 20.03.2015.



**16. DECLARATION OF INDEPENDENT DIRECTORS**

Presently there are no Independent Directors on Board. However, steps are being taken for the appointment of Independent Directors.

**17. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES**

As per provisions of Section 178(1) constitution of Nomination and Remuneration Committee is being constituted.

**18. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES MADE PURSUANT TO SECTION 188 OF THE COMPANIES ACT, 2013.**

Details of each of the related party transaction entered into by the Company during the Year together with justification are annexed herewith in Form AOC-2 as "Annexure B".

**19. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM**

The Audit Committee consists of the following members;

- |   |                  |
|---|------------------|
| a) Mr. K C Kondaiah, Independent Director | - Upto 30.5.2014 |
| b) Mr. Ajay Kumar Bhuwalka                |                  |
| c) Suresh Kumar Bhuwalka                  | - Upto 30.5.2014 |
| d) Mr. Ankit Bhuwalka                     |                  |

During the financial year 2014-15, the Committee met 5 times on the following dates 08.05.2014, 30.05.2014, 13.08.2014, 13.11.2014, 14.02.2015.

The Company has established a vigil mechanism and oversees through the committee, the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the chairman of the Audit Committee on reporting issues concerning the interests of co employees and the Company.

**20. INFORMATION PURSUANT TO RULE 5 (2) OF COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

The Company has not appointed any employee(s) in receipt of remuneration exceeding the limits specified under Rule 5 (2) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

**21. AUDITORS:**

The Auditors, M/s. ASR Associates, Chartered Accountants, Bellary, retire at the conclusion of the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

**22. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

There was no loan given or guarantee given or investment made or security provided pursuant to Section 186 of the Companies Act, 2013 during the year under review and hence the said provisions are not applicable.

**23. DETAILS OF SIGNIFICANT MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNAL IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE**

There are no significant material orders passed by the Regulators / Courts / Tribunal which would impact the going concern status of the Company and its future operations. Hence, disclosure pursuant to Rule 8 (5) (vii) of Companies (Accounts) Rules, 2014 is not required.

**24. Risk Management Policy:**

The Company has developed & implemented Risk Management Policy. However, Company has not come across any element of risk which may threaten the existence of the Company.

**25. AUDITORS' REPORT:**

- a) As reported by Statutory Auditor's in their Audit, there have been delays in servicing undisputed statutory liabilities during 2014-15 on time. Further certain payments have been delayed beyond 180 days. Amount of these delays have been detailed in point no. (vii) (a) and (b) of annexure of Paragraph 1 (CARO) of the Auditor's Report.

Management's Reply:- Company has been going through tough financial condition during FY 14-15 due to operational and cash losses. This situation occurred due to lower production level and bad demand scenario of Company's product during such period. Owing to cash losses and liquidity constraints, company could not mobilize funds for statutory dues and hence same were delayed unintentionally. Company has already taken measure to improve its position by utilization of current assets and these dues will be paid on highest priority.