

BOARD'S REPORT

**To,
The Members
AVSL Industries Limited**

Your Directors have pleasure in presenting their Annual Report on the Business and operations of the Company and the accounts for the Financial Year ended March 31, 2020.

1. FINANCIAL SUMMARY:

During the year under review, the Company has incurred profit of Rs. 4,20,75,922/-. However your directors look forward to improve the financial position of the Company and are optimistic about the future growth and performance of the Company.

The summarized Financial Results of the Company for the period ended 31st March, 2020 are as follows:

PARTICULARS	YEAR ENDED 31ST MARCH,2020	YEAR ENDED 31ST MARCH,2019
Total Revenue	83,38,41,118	87,02,79,529
Total Expenses	77,45,69,254	83,65,78,264
Profit before Exceptional & Extra Ordinary Items & Taxation	5,92,71,864	3,37,01,265
Less: Exceptional & Extra Ordinary Items	0	0
Profit before taxation	5,92,71,864	3,37,01,265
Less: Tax Expenses		
i. Provision for Taxation	1,64,89,432	89,59,603
ii. Deferred Tax (Asset)/Liability	741,516	3,863
iii. Income Tax for Earlier Years	14,48,025	20,35,570
Profit/(Loss) after tax	4,20,75,922	2,27,09,955

2. REVIEW OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS:

The key highlights pertaining to the business of the Company for the year 2019-20 have been given hereunder:

The total income of the Company during financial year 2019-20 is Rs. 8,33,841,118/- against Rs. 87,02,79,529/- in the previous financial year 2018-19.

The total expenditure of the Company during financial year 2019-20 is Rs. 77,45,69,254/- against Rs. 83,65,78,264/- in the previous financial year 2018-19.

Profit after tax for the year under review was at Rs.4,20,75,922/- likewise higher than that of profit in the previous year Rs. 2,27,09,955/-.

The Directors trust that the Shareholders will find the performance of the Company for Financial Year.

3. GLOBAL HEALTH PANDEMIC FROM COVID-19:

The World Health Organization declared a global pandemic of the Novel Coronavirus disease (COVID-19) on March 22, 2020. In enforcing social distancing to contain the spread of the disease, our offices have been operating with minimal or no staff for extended periods of time. In keeping with its employee-safety first approach, the Company quickly instituted measures to trace all employees and be assured of their well-being. Our teams reacted with speed and efficiency, and quickly leveraged technology to shift the workforce to an entirely new 'work-from-home' model.

Continuous communication on the latest updates played a key role in enabling our employees to stay on top of the evolving situation.

Several initiatives were rolled out to make teams and managers effective while working from different locations.

We have extended support to the employees impacted by this pandemic. The Company would implement a phased and safe return-to-work plan as and when lockdown restrictions are relaxed.

4. DIVIDEND:

The Company ploughs back the profit to achieve higher growth in coming year, hence the Board of Directors did not declared any dividend for the financial year 2019-20.

5. TRANSFER TO RESERVES

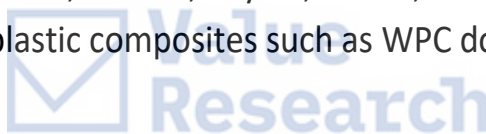
We propose to transfer Rs. 42,075,922/-from Surplus in Profit and Loss Account.

6. CHANGE IN THE NATURE OF BUSINESS

For sustained growth in the future, Company wants to rely on the main business of the Company.

The Company has altered its object clause by inserting sub clause 8 in clause III(A) of its memorandum of association in the Annual General Meeting held on 26th September, 2019.

“To carry on in India or elsewhere the business as manufacturer, processor, importers, exporters, agents, brokers, retailers, traders, buyers, sellers, design, develop cut short or grade or otherwise to deal in Wood plastic composites such as WPC doors, doors frame, boards and any other similar products.”



7. CAPITAL STRUCTURE

There is no Change in the Share Capital of the Company during the year under review.

8. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN MARCH 31, 2020 AND DATE OF THE REPORT

There have been no material changes and commitments which affect the financial position of the Company that have occurred between the end of the financial year to which the financial statement relate and the date of this report.

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

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence it is not applicable.

10. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

As specified under the provision of Section 188(1) of the Companies Act, 2013, the Contracts and arrangements entered into with related parties are placed before audit Committee and approved through omnibus mode in accordance with the provisions of the Companies Act, 2013 and Listing Regulations for its approval. Suitable disclosures as required are provided in AS 18 which forms part of the notes to financial statement. Information on transactions with related parties are given in "Annexure 2" in Form AOC-2 and same form part of this Report.

11. PUBLIC DEPOSITS

The Company has not accepted any Public deposit during the year under the financial year ended 31st March, 2020. Pursuant to the Ministry of Corporate Affairs (MCA) notification dated 22nd January, 2019 amending the Companies (Acceptance of Deposits) Rules, 2014, the Company is required to file with the ROC requisite return in Form DPT-3 for outstanding receipt of money/loan which is not considered as deposit. The Company is complying with the relevant provisions.

12. NAME OF THE COMPANY WHICH HAVE BEEN BECOME/CEASED TO BE SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES DURING THE YEAR

The Company has no subsidiaries, joint ventures and associate companies.

13. INTER SE RELATIONSHIPS BETWEEN THE DIRECTORS

There is no inter se relationship between Directors of the company except Mr. Sanjay Bansal, Chairman & Managing Director of the Company and his spouse Mrs. Priti Bansal, Executive Director of the Company.

14. NUMBER OF MEETINGS OF THE BOARD:

The Directors of the Company met at regular intervals with the gap between two meetings not exceeding 120 days as per Companies Act, 2013. During the year under review, The Board of Directors meet 14 (fourteen) times, the dates are as follows:

18th April, 2019, 07th May, 2019, 15th May, 2019, 30th May, 2019, 17th June, 2019, 18th June, 2019, 29th July, 2019, 02nd September, 2019, 02nd November, 2019, 04th December, 2019, 19th December, 2019, 31st January, 2020, 26th February, 2020 and 19th March, 2020.

15. ANNUAL EVALUATION AND BOARD PERFORMANCE

In Compliance with the Companies Act, 2013 and SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 the performance evaluation of the Independent Directors was carried out during the year.

The Board and the Nomination and Remuneration Committee (“NRC”) reviewed the performance of the Directors on the basis of criteria.

In a separate meeting of Independent Directors performance of non-independent directors, performance of the board as a whole was evaluated.

16. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

Your Company has in place a familiarization program for independent directors to provide insights into the Company’s Business to enable them contribute significantly to its success. The details of the familiarization program of the Independent directors are available on the website of the Company.

17. DECLARATION BY INDEPENDENT DIRECTORS

All the Independent Directors have given their declarations stating that they meets the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 read with the rules made thereunder and in the opinion of the Board, the Independent Directors made the said criteria. All independent Directors registered themselves in the Data Bank of Independent Directors maintained by IICA and is proposed to be qualify the proficiency test within the stipulated period.

During the year under review the Independent Directors duly met pursuant to the provisions as specified in Schedule IV of the Companies Act, 2013 and the quorum was present throughout the meeting

18. NOMINATION AND REMUNERATION POLICY

The Board has on the recommendation of the Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management Personnel and their remuneration. This policy formulates the criteria for determining qualifications, competencies, positive attributes and independence for the

appointment of a Director (executive/non-executive) and also criteria for determining the remuneration of the Directors, KMP and other employees.

19. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors is a balanced one with an optimum mix of Executive and Non-Executive Directors. They show active participations at the Board and the Committee meetings, which enhance the transparency and add value to their decision making.

APPOINTMENTS/ RE-APPOINTMENTS AS ON MARCH 31ST, 2020:

1. As per the provisions of the Companies Act, 2013, Priti Bansal, retires by rotation at the ensuing AGM and, being eligible, seeks reappointment. Based on the performance evaluation and recommendation of the nomination and remuneration committee, the Board recommends her re-appointment.

2. As per the provisions of the Companies Act, 2013, Mrs. Rishika, Company Secretary of the Company resigned from the post w.e.f 26th November, 2019.

Pursuant to Section 203 of the Companies Act, 2013 Mrs. Rishika appointed as a Company Secretary and Compliance officer from 31st January, 2020.

3. As per Section 197 of the Companies Act, 2013 read with rules, if any, Mr. Sanjay Bansal, Managing Director of the Company, being eligible, seeks reappointment for the period of 5 years. Based on the performance evaluation and recommendation of the nomination and remuneration committee, the Board recommends his reappointment.

The Composition and category of Directors as well as KMPs are as follows:

Sr.No	Name of Director/KMP	Designation	DIN/ PAN
1.	Mr. Sanjay Bansal	Managing Director	01467290
2.	Mrs. Priti Bansal	Director	07107908
3.	Mr. Sugreev Singh	Independent Director	07546239
4.	Mr. Ashish Garg	Non-Executive Director	07486222
5.	Mr. Dharendra Sangal	Independent Director	06817663
6.	Mr. Ramesh Chander	CFO	AVJPC3968M
7.	Mrs. Rishika	Company Secretary	CFMPR0570M

COMMITTEES OF THE BOARD:

As on March 31, 2020 the Board had four committees: the Audit Committee, the Nomination and Remuneration Committee, the Stakeholders Relationship Committee and the Internal Complaint Committee. During the year all the recommendations made by the committees were approved by the Board.

A detailed note of the composition of the Committees were given below:

1. AUDIT COMMITTEE:

The Audit Committee comprises Shri Dharendra Sangal (Chairman of the Committee), Shri Sugreev Singh and Shri Sanjay Bansal (Members of the committee). All the recommendations made by the Audit Committee were deliberated and accepted by the Board.

2. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee comprises namely Shri Dharendra Sangal (Chairman of Committee), Shri Sugreev Singh and Shri Ashish Garg, Members of the committee. During the year all the recommendations made by the Committee were accepted by the Board.

3. STAKEHOLDER RELATIONSHIP COMMITTEE:

The Stakeholder Relationship Committee comprises namely Shri Dharendra Sangal (Chairman of Committee), Shri Sugreev Singh and Shri Ashish Garg, Members of the committee. During the year all the recommendations made by the Committee were accepted by the Board.

20. CORPORATE SOCIAL RESPONSIBILITY

As per the provision of Section 135 of the Companies Act, 2013 Corporate Social Responsibility (CSR) is not applicable to the Company during the year under review so there are no disclosures required.

21. INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds, error reporting mechanism, accuracy and

completeness of the accounting records and timely preparation of reliable financial disclosures.

During the year, such controls were tested and no reportable material weaknesses in design or operation were observed.

The Directors state that applicable secretarial standards i.e SS-1 and SS-2 relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively have been followed by the Company.

22. SIGNIFICANT AND MATERIAL ORDERS

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

23. VIGIL MECHANISM

Your Company has established a Vigil mechanism for employees including Directors of the Company to report genuine concerns. The provisions are in line with the provisions of Section 177 (9) of the Companies Act, 2013 read with the Listing regulations.

24. EXTRACT OF ANNUAL RETURN

An extract of Annual Return referred to in sub-section (3) of Section 92 for the financial year 31st March, 2020 and onwards in Form MGT- 9 is also enclosed as Annexure-4 in the Board report. Accordingly, the web link for the company is www.avsl.co.in for the annual return specified.

25. SECRETARIAL STANDARDS

The Company complies with all applicable mandatory secretarial standards issued by the Institute of Company Secretaries of India.

26. AUDITORS AND THEIR REPORTS

(I) STATUTORY AUDITORS

Under Section 139 of the Companies Act, 2013 and the Rules made thereunder, M/s Mamraj & Co., Chartered Accountants (Firm registration number 006396N) are the Statutory Auditors of the Company to hold office for a period of 5 (five) years from the conclusion of the 15th AGM

of the Company held on 2018, till the conclusion of the 20th AGM to be held in the year 2023. The requirement for the annual ratification of auditors' appointment at the AGM has been omitted pursuant to Companies (Amendment) Act, 2017 notified on May 7, 2018.

(ii) SECRETARIAL AUDITORS

Pursuant to Section 204 of the Companies Act, 2013 read with the Rules thereof, the Board of Directors had appointed M/s Akshit Gupta & Associates, Company Secretaries, as a Secretarial Auditor of the Company for financial year 2019-20. The Secretarial Audit Report for the financial year 2019-20 is annexed herewith as "Annexure- 3"

(iii) INTERNAL AUDITORS

The Company has appointed M/s V.K Kataria & Co., Chartered Accountant, as an Internal Auditor of the Company for financial year 2019-20.

(iv) COST AUDITOR

The Company has not appointed the Cost Auditor as pursuant to Section 148 of the Companies Act, 2013, the Cost audit or maintenance of cost records are not applicable to the Company.

(v) AUDIT REPORT

The Statutory Auditors' Report for financial year ended 31st March, 2020 does not contain any qualification, reservation or adverse remark. The Report is enclosed with the financial statements in this Annual Report.

On the other hand the Secretarial Auditors' Report for financial year ended 31st March, 2020 does not contain any qualification, reservation or adverse remark. The Secretarial Auditors' Report is enclosed as Annexure 3 to the Board's report in this Annual Report.

(vi) REPORTING OF FRAUDS BY AUDITORS

During the year under review, neither the Statutory Auditors nor the Secretarial Auditor has reported to the Audit Committee under Section 143(12) of the Companies Act, 2013 and Rules framed thereunder, any instances of fraud against the Company by its officers or employees, the details of which would need to be mentioned in the Board Report.

27. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as prescribed under Section 134(3) of the Companies Act, 2013 read with Rule of the Companies (Accounts) Rules, 2014, the details furnished below:

(A) Conservation of energy:

Steps taken / impact on conservation of energy, with special reference to the following:

steps taken by the company for utilizing alternate sources of energy including waste generated :NIL

(B) Technology absorption:

Efforts made towards technology absorption: The Company is exploring technology options for better manufacturing process. Development of R & D Centre during the year is mainly focused for exploring better technologies available in the existing product and new models.

Benefits derived as a result of the above efforts like product improvement, cost reduction, product development, import substitution, etc.: The company is able to cater its customers through innovation in technology and through product mix Quality improvement

The Company has not taken any technical knowhow from anyone and hence not applicable

In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished: The Company has not imported any technology and hence not applicable.

(c) Foreign Exchange Earnings/ Outgo:

The details of total foreign earnings/outgo are as follows:

Value of Imports on C.I.F Value: Rs. 15,34,18,704/-

Expenditure in Foreign Currency: Rs. 15,27,80,422/-

28. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 134(3)(c) of the Companies Act, 2013 with respect to the Directors' Responsibility Statement, based on the knowledge and belief and the information and explanations obtained, directors confirm that:

- a) In the preparation of the annual accounts for the year ended 31st March, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) such accounting policies selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company for the financial year ended 31st March, 2020 and of the profit and loss of the company for that period;
- c) 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;
- d) Annual accounts for the financial year ended 31st March, 2020 have been prepared on a going concern basis;
- e) internal financial controls have been laid down and followed by the company and that such internal financial controls are adequate and operating effectively; and
- f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

29. CORPORATE GOVERNANCE

Your Company has been complying with the principles of Good Corporate Governance over the years and is committed to the highest standards of Compliance.

Pursuant to regulation 15(2) of the SEBI (LODR) Regulations, 2015, the Compliances with Corporate Governance provisions as specified in Regulation 17 to 27 and Clause (b) to (i) of regulations and Para C, D and E of Schedule V shall not apply to the Listed entity which has specified securities on the SME Exchange.

Therefore, the Corporate Governance Report is not applicable on the Company. Hence, the Corporate Governance Report does not form part of this Board Report.

30. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As per requirements of Regulation 34 of the Securities and Exchange Board of India (Listing obligation and Disclosure) Regulations 2015, Management's discussion and Analysis of the Financial Condition and results of operations is disclosed separately in the Annual report.

31. INVESTOR EDUCATION AND PROTECTION FUND

There were no amounts, required to be transferred to the Investor Education and protection fund by the Company during this year.

32. HUMAN RESOURCE MANAGEMENT

Your Company believes that human resources are the key resource and integral part of the organization and endeavors to create a culture of openness and empowerment amongst its employees and provide them good career growth. Your Company truly believes in trust, transparency and teamwork to improve employees' productivity at all levels and is committed to the welfare of the employees and their families by having performance review, recognition and reward system in place.

33. PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

At AVSL, our goal has been to create an open and safe workplace where each and every employee feels empowered to contribute to the best of their abilities, irrespective of gender, sexual preferences or any other classification that has no bearing on the employee's work output.

AVSL has constituted an Internal Committee (IC) to consider and resolve all sexual harassment complaints reported by women. During the year, no complaints were received by the Company as per the provision of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

34. RISK MANAGEMENT AND ANALYSIS

A key factor in determining a Company's capacity to create sustainable value is the risks that the Company is willing to take (at strategic and operational levels) and its ability to manage them effectively. Our Company is mainly deal in manufacturing of PVC Compound, HDPE tapes etc. and trading of agro based commodities.

Many risks exist in a company's operating environment and they emerge on a regular basis. The Company's Risk Management processes focuses on ensuring that these risks are identified on a timely basis and addressed. The Company has laid down a risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is being carried out to identify, evaluate, manage and monitor and non – business risks. In our company, audit committee has an additional oversight

in the area of financial risks and its controls. Other major operational risks are being identified by the management of the Company from time to time. However, constitution of Risk Management Committee is not applicable as it is applicable to top 500 listed companies only.

35. APPRECIATION AND ACKNOWLEDGEMENTS

Your Directors express their sincere gratitude for the assistance and co-operation extended by the Customers various government, Semi-Government and local authorities, suppliers, shareholders and business association.

BY ORDER OF THE BOARD OF DIRECTORS

SD/-

DATE: 12.10.2020

PLACE: Delhi

**SANJAY BANSAL
MANAGING DIRECTOR**

DIN: 01467290

**ADD: KU-109, VISHAKHA ENCLAVE
PITAMPURA, DELHI-110034**

