The Palm Springs Plaza
Office No. 1501-B, 15th floor
Sector-54, Golf Course Road
Gurugram 122001, INDIA
Tel: +91 124 281 9000

Independent Auditor's Review Report on unaudited half year financial results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Board of Directors
AVG Logistics Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of **AVG Logistics Limited** ('the Company') for the half year ended 30 September 2019 and the year to-date results for the period 1 April 2019 to 30 September 2019 ('the Statement') attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Regulation').

2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 'Interim Financial Reporting', prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule 2014 and other recognized accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether financial results are free of material misstatements. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Basis for Qualified Conclusion:

   i. Revenue from operations includes freight income from transporters amounting to INR 667.76 Lakhs for the period ended 30 September 2019. As the terms and conditions of such business activity are agreed verbally, Management is not able to obtain relevant documents from the consignee / customer. Further, trade receivables pertaining to such business amounts to INR 1,897.07 Lakhs as at 30 September 2019. In the absence of necessary documents, we are unable to comment on the occurrence of such income and corresponding recoverable balances. Further, there are long outstanding balances recoverable from other customers (freight income other than transporter) amounting to INR 1,154.47 Lakhs where the Management has not assessed provision for doubtful debts. Accordingly, we are unable to comment on the recoverability of such balances.

   ii. The Company has outstanding 'Lorry Trip Advance' amounting to INR 2,058.49 Lakhs as at 30 September 2019 disclosed under the head 'Short-term loans and advances'. In the absence of trip wise detail and assessment of provision for doubtful debts, we are unable to comment on the accuracy and recoverability of such advances and its impact, if any, on expenses for the period and net worth of the Company.

MSKA & ASSOCIATES GURUGRAM

Head Office: Floor 3, Enterprise Centre, Nehru Road, Near Domestic Airport, Vile Parle (E), Mumbai 400099, INDIA, Tel: +91 22 3358 9800
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iii. The Company has entered into transactions with R N Finance Limited, Dhan Kuber Finance Private Limited, M/S CC Trading, M/S United Mining Corporation and M/S Redberry Exim in the nature of short-term loans and advances. In the absence of signed agreements with these parties, we are unable to substantiate relevant terms and conditions like rate of interest, repayment terms, security clause etc. Accordingly, we are unable to comment on its impact, if any, on the financial results besides compliance with respect to Section 186 of the Companies act, 2013.

Our audit report on the financial statements for the year ended 31 March 2019 was qualified in respect of the matters (i) and (ii) stated above.

5. Based on our review conducted as above, with the exception of the matter described in the paragraph 4 and the effects thereon, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited standalone financial results prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 'Interim Financial Reporting', prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule 2014 and other recognized accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Regulation including the manner in which it is to be disclosed, or that it contains any material misstatement.

Emphasis of Matter

6. We draw attention to following matter in the notes to the financials results:

   i. Note 8 to the Statement regarding delay in payment of Good and Service tax. As at reporting date Goods and Service tax amounting to INR 1,453.18 Lakhs is overdue, which the Management intends to pay shortly.

Our conclusion is not qualified in respect of this matter.

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No.105047W

Amit Mitra
Partner
Membership No.: 094518
UDIN: 19094518AAAAGQ5262

MSKA & ASSOCIATES GURUGRAM

Place: Gurugram
Date: 21 November 2019