



Dated: 02.09.2019

National Stock Exchange of India Limited
Exchange Plaza
C-I, Block G
Bandra Kurla Complex
Bandra (E), Mumbai - 400 051

Trading Symbol: AVG

Thru: NEAPS

SUB: SUBMISSION OF ANNUAL REPORT FOR THE FINANCIAL YEAR 2018-19 IN ACCORDANCE WITH THE PROVISION OF REGULATION 34(1) OF SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Dear Sir,

In respect of above captioned subject we wish to inform you that, pursuant to Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors considered and approved the Annual Report in their meeting held on Monday, September 02, 2019, for the year ended March 31, 2019, and was further, sent to the Shareholders along with the Notice of AGM.

We do hereby submit duly adopted Annual Report for the F.Y. 18-19 for your record and reference.

Thanking you
Yours faithfully,

By order of the Board
For AVG LOGISTICS LIMITED

A handwritten signature in blue ink, appearing to read "Parul Jain", is written over the typed name.

PARUL JAIN
COMPANY SECRETARY & COMPLIANCE OFFICER



ANNUAL REPORT

2018-19



AVG LOGISTICS[®]
A STEP AHEAD

OUR NETWORK



■ Zonal Offices

■ Other Branches

■ International Network



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Notice of 10th AGM
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Dear Shareholders,

I am really honoured to welcome all of you in the 10th AGM of your Company and am pleased to present yet another year of growth and success of AVG Logistics Limited (AVG).

I am confident that the logistics industry has an incredible scope of growth. Government of India's vision to make India one of the strongest economies in the world has greatly helped the logistics sector. Boosting infrastructure and improving the connectivity ensures the easy and timely movement of goods to its ultimate destination. AVG will certainly take advantage of infrastructure development and expect high growth in the years to come.



2018 has been a historic year for the company and it fills us with immense pride that we now call ourselves a Public Company. This milestone has been achieved due to the concerted efforts of the whole team of AVG

I feel privileged to share an update of your Company's performance for 2018-19, a year of great achievements wherein we continued to demonstrate our proficiency and determination in achieving operational excellence and financial soundness. We remained robust and resilient in an ever-changing business environment, and stayed focused on our legacy of contributing to the growth of the country by delivering value to our shareholders. Our Total Revenue during the year increased by 39% i.e. by Rs 8867.13 lakhs and the Profit Before Tax increased by 11.44% i.e. by Rs 137.57 lakhs.

Implementation of GST with the introduction of E-Way bill resulted in operational difficulties for a short while, but our team addressed and successfully handled all issues. Volatility in fuel price and low demand in certain sectors were some of the challenges we faced during the year. However, we mitigated them by our continued focus on increasing operational efficiency, optimizing cost, effective capital and asset allocation, and investing more in our people and work culture. The quality of service provided by the company is evident through the increased business from existing clients like Nestle, Airtel, Amaraja Batteries, Ultratech Cement, Mother Dairy, MRF, Carrier, Coca-Cola, Emami, GlaxoSmithKline, etc. as well as addition of new clients like Dabur, Heinz, Mondelez, Jyoti Laboratories, Vishal Mega Mart, Tamil Nadu Newsprint and Paper Limited (TNPL), LT Foods, etc.

We are confident that, moving forward our emphasis will be on expanding our foothold not only in India but also overseas by delivering value added services to our customers. With a sharp focus on cost-effectiveness, high levels of customer satisfaction, and a strong growth orientation, we strive to hold a competitive advantage and be the market leader in our industry. To further capture on growing opportunities, we will invest more in state-of-the-art technology and leverage our infrastructure capabilities to scale-up our business. We will continue to pave our way into future by laying the foundation today for tomorrow.

Our aim to grow as a market leader in the industry and becoming a company with a revenue generation of Rs 5 Billion by 2021 seems achievable.

I would like to take this opportunity to pay my respect and appreciation to all the shareholders for their continued trust and belief in our decisions. Further we place on record our thanks to bankers/lending institutions for their everlasting support. I would also like to appreciate all the employees and stakeholders including customers and business partners for their continuous efforts and commitment towards the growth of the company and the Directors for their continuous support and guidance. We look forward to many more successful years ahead.

SANJAY GUPTA
CHAIRMAN



Transportation Services

- 🚚 FTL/LTL in Both Primary and Secondary Transportation
- 🚚 Cold Chain/Refrigerated Transportation
- 🚚 Dedicated/Secondary Solution
- 🚚 Express Delivery
- 🚚 Rail Service
- 🚚 Air Service
- 🚚 Freight Forwarding
- 🚚 Export to Nepal, Bangladesh, and Bhutan
- 🚚 Concor Container Services
- 🚚 Parcel Van Train Service
- 🚚 Packers & Movers

Warehousing Services

- 🚚 Storage Space
- 🚚 Manpower Handling
- 🚚 Packaging
- 🚚 Multiuser Warehouse Facility
- 🚚 Bonded Warehouse

Value Added Services

- 🚚 E2E Solutions
- 🚚 Multimodal Transportation
- 🚚 Reverse Logistics
- 🚚 Parcel/Door to Door
- 🚚 Custom Clearance & Port Logistics
- 🚚 Container/Forklifts/Cranes on Rent
- 🚚 E-commerce



Company Incorporation
With A Family Of 7

2010

2012

ADDED
50 + FLEET

Launched Cargo Express Train

HIT An Impressive Turnover of
₹ 1 Billion Within 4 Years

2014

2015

Awarded As
The Best Company
Of The Year By ASSOCHAM

Added
20 + Branches

Introduction of
Secondary Refer Service

2016

2017

Fleet Size
Enhanced to 250+

Recognized As 'India's Greatest
Brands' And 'India's
Greatest Leaders' Bt Asia One

Listing on SME
Platform NSE EMERGE

2018

2019

Owned Fleet of 425+
₹ 3 Billion Within A Span of 5 Years

Received The Road Safety Award By
The Global Safety Summit



**BOARD OF DIRECTORS****CHAIRMAN**

Mr. Bishwanath Shukla

MANAGING DIRECTOR

Mr. Sanjay Gupta

WHOLE-TIME DIRECTOR

Mrs. Asha Gupta

INDEPENDENT DIRECTORS

Mr. Bishwanath Shukla
Mr. Suresh Kumar Jain
Mr. Susheel Kumar Tyagi

NON-EXECUTIVE DIRECTOR

Mr. Shyam Sunder Soni

REGISTRAR & SHARE TRANSFER AGENT

LINKINTIME INDIA PRIVATE LIMITED
C-101, 247 Park, L B S Marg, Vikhroli West,
Mumbai 400083, Maharashtra.
Tel: +91 22 4918 6200;
Fax: +91 22 4918 6195
Email: avglogistics.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Ms. Shanti Gopalkrishnan

KEY MANAGERIAL PERSONNEL**CHIEF FINANCIAL OFFICER**

Mr. Arun Kumar Goel

COMPLIANCE OFFICER & COMPANY SECRETARY

Mrs. Parul Jain

AUDITORS**SECRETARIAL AUDITOR**

Sunni Gupta & ASSOCIATES
COMPANY SECRETARIES

STATUTORY AUDITORS

MSKA & Associates
CHARTERED ACCOUNTANTS

REGISTERED OFFICE

OFFICE NO. 25, D.D.A MARKET, SAVITA VIHAR
DELHI DL 110092
Mail: praveen@avglogistics.com
Website: www.avglogistics.com
Telephone: +91 11 4567 4071

CORPORATE OFFICE:

102, 1st floor, Above state bank of India,
Jhilmil Metro station Complex, Delhi-110095, India
PH. NO. 011-22124356



MR. SANJAY GUPTA
MANAGING DIRECTOR



MRS. ASHA GUPTA
WHOLE TIME DIRECTOR



MR. BISHWANATH SHUKLA
INDEPENDENT DIRECTOR



MR. SHYAM SUNDER SONI
DIRECTOR



MR. SURESH KUMAR JAIN
INDEPENDENT DIRECTOR



MR. SUSHEEL KUMAR TYAGI
INDEPENDENT DIRECTOR



Key Managerial Person

MR. ARUN KUMAR GOEL
CHIEF FINANCIAL OFFICER



MRS. PARUL JAIN
COMPANY SECRETARY





COMMITTEES

AUDIT COMMITTEE	SHAREHOLDER'S RELATIONSHIP COMMITTEE
Chairman Mr. Bishwanath Shukla	Chairman Mr. Bishwanath Shukla
Members Mr. Sanjay Gupta Mr. Susheel Kumar Tyagi	Members Mr. Sanjay Gupta Mr. Susheel Kumar Tyagi
NOMINATION AND REMUNERATION COMMITTEE	CORPORATE SOCIAL RESPONSIBILITY COMMITTEE
Chairman Mr. Bishwanath Shukla	Chairman Mr. Bishwanath Shukla
Members Mr. Shyam Sunder Soni Mr. Susheel Kumar Tyagi	Members Mr. Sanjay Gupta Mr. Shyam Sunder Soni



BEHIND OUR SUCCESS



SANJAY GUPTA
Management Director



VINAYAK GUPTA
VICE PRESIDENT



ARUN GOEL
CHIEF FINANCIAL OFFICER



S.G MATHUR
ADMINISTRATIVE OFFICER



SAURABH GREWAL
HEAD, FLEET MANAGEMENT



AJAY KUMAR
HEAD OF OPERATIONS



NIRAJ KUMAR
GM MARKETING & BD



PRAVEEN MAHLA
DGM FINANCE & ACCOUNTS



ASHOK KUMAR SHARMA
HEAD RAIL OPERATIONS



RAJEEV SHARMA
HEAD PARCEL BUSINESS

**DIRECTORS' REPORT**

To,
The Members
AVG Logistics Limited

Dear Members,

The Directors of your company are pleased to present the 10th Annual Report on the business and operations of the Company together with the audited statement of accounts for the financial period ended March 31st, 2019.

1. FINANCIAL SUMMARY & HIGHLIGHTS

Amount in INR Lakhs

Particulars	Standalone		Consolidated	
	31 st March 2019	31 st March 2018	31 st March 2019	31 st March 2018
Revenue from operations	31,349.21	22,659.36	31,349.21	22,659.36
Other Income	221.02	43.74	221.02	43.74
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	3,014.42	2,450.63	3,014.42	2,450.63
Less: Depreciation/ Amortisation/ Impairment	755.77	569.99	755.77	569.99
Less: Finance Costs	837.41	678.06	837.41	678.06
Profit /loss before Exceptional items and Tax Expense	1,421.24	1,202.58	1,421.24	1,202.58
Less: Exceptional items	81.10	-	81.10	-
Profit/loss before Tax Expense	1,340.14	1,202.58	1,340.14	1,202.58
Less: Tax Expense				
- Current Tax	463.39	489.04	463.39	489.04
- Deferred Tax	(126.16)	(41.12)	(126.16)	(41.12)
- Income Tax related to earlier year	(8.76)	-	(8.76)	-
Share of Loss from Associate Company	-	-	(62.96)	-
Share of Profit from Enterprise	-	-	0.39	-
Profit/loss for the year	1,011.67	754.66	949.10	754.66
Balance of profit/loss for earlier years	2,225.12	1,767.26	2,225.12	1,767.26
Less: Bonus shares issued	-	296.80	-	296.80
Balance carried forward	3,236.79	2,225.12	3,174.22	2,225.12
Earning per equity share				
(1) Basic	9.97	10.47	9.36	10.47
(2) Diluted	9.97	10.47	9.36	10.47

PERFORMANCE REVIEW**Standalone**

- Total income increased by 39% to INR 31,349.21 Lakhs from INR 22,659.36 Lakhs in the corresponding previous year.
- EBIDTA increased by 23% to INR 3,014.42 Lakhs from INR 2,450.63 Lakhs in the corresponding previous year.
- Profit before tax (PBT) increased by 11% to INR 1,340.14 Lakhs from INR 1,202.58 Lakhs in the corresponding previous year.
- Profit after tax (PAT) increased by 34% to INR 1,011.67 Lakhs from INR 754.66 Lakhs in the corresponding previous year.
- Earnings per share as on 31st March 2019 is INR 9.97 vis a vis INR 10.47 as on 31st March 2018.



Consolidated

- Total income increased by 39% to INR 31,349.21 Lakhs from INR 22,659.36 Lakhs in the corresponding previous year.
- EBIDTA increased by 23% to INR 3,014.42 Lakhs from INR 2,450.63 Lakhs in the corresponding previous year.
- Profit before tax (PBT) increased by 11% to INR 1,340.14 Lakhs from INR 1,202.58 Lakhs in the corresponding previous year.
- Profit after tax (PAT) increased by 25% to INR 949.10 Lakhs from INR 754.66 Lakhs in the corresponding previous year.
- Earnings per share as on 31st March 2019 is INR 9.36 vis a vis INR 10.47 as on 31st March 2018.

2. TRANSFER TO RESERVES

The Board of your Company has decided not to transfer any amount to the General Reserves for the financial year 2018-19.

As per Standalone financials, the net movement in the reserves of the Company as at 31 March 2019 (FY 2018-2019) [Previous Year ended 31 March 2018 (FY 2017-2018)] is as follows:

Particulars	Amount in INR Lakhs	
	Financial Year 2018-19	Financial Year 2017-18
Securities Premium	2,659.52	14.00
Surplus in Statement of Profit and Loss	3,236.79	2,225.12
Total Reserves & Surplus	5,896.31	2,239.12

The Members are advised to refer the Note No. 03 as given in the financial statements which forms the part of the Annual Report for detailed information.

3. DIVIDEND

The Board of Directors of your company, after considering the cash requirement for business growth and debt servicing, has decided that it would be prudent, not to recommend any Dividend for the year under review.

4. STATE OF THE COMPANY'S AFFAIRS

a. Segment-wise position of business and its operations

The Company operates mainly in Transportation, Warehousing and Trading of goods. It has only one major reportable segment.

b. Change in status of the company

During the financial year under consideration the status of the Company has been changed from Unlisted to Listed public Company, being the shares of the company listed on SME Platform 'NSE EMERGE'.

c. Key business developments

During the financial year under consideration the shares of the company have been listed on SME Platform 'NSE EMERGE'.

The Company invested in the equity of NDRAVG Business Park Private Limited, a Joint Venture Company, during the financial year and acquired 35% of the total share capital. The amount invested is INR 984.57 Lakhs.

**d. Change in the financial year**

During the financial year 2018-2019 under review, the company has followed uniform financial year from 1st April of every year to 31st March of the next year.

e. Capital expenditure

During the year under review, your Company entailed a capital expenditure of INR 2,345.74 Lakhs in Tangible assets and INR 7.20 Lakhs in Intangible assets, to enhance the capacities of major services and also towards increasing operational efficiencies.

f. Details and status of acquisition, merger, expansion, modernization and diversification

During the financial year 2018-2019 under review, the Company has incorporated a Joint Venture Company, **NDRAVG Business Park Private Limited**(CIN:U45309TN2018PTC125055) in collaboration with N D R Ware Housing Private Limited (CIN:U63023TN1986PTC013278) on 1st October, 2018 with Authorized Share Capital INR 300,000,000 divided into 30,000,000 shares of INR 10 each and Issued, Subscribed and Paid up Share Capital of the Company is INR 281,305,630 divided into 28,130,563 shares of INR 10 each.

The Company has 35% equity stake in NDRAVG Business Park Private Limited.

5. CHANGE IN THE NATURE OF BUSINESS

The Company continued to carry Business of Transportation, Warehousing and Trading of goods and hence, there was no change in the nature of business or operations of the Company which impacted the financial position of the Company during the year under review.

6. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There are no material changes and commitments which affect the financial position of the Company, subsequent to close of Financial Year 2018-19 till the date of this Report.

7. DETAILS OF REVISION OF FINANCIAL STATEMENT OR THE BOARD'S REPORT

During the financial year 2018-2019 under review, the company has not revised its financial statement or the Board's Report in respect of any of the three preceding financial years either voluntarily or pursuant to the order of any judicial authority.

8. CAPITAL AND DEBT STRUCTURE**A. Changes in Share Capital Structure**

During the financial year under review, there is no change in the Authorized Share Capital of the Company.

As at March 31, 2019, the Authorized Share Capital of the Company is INR 1,200.00 Lakhs divided into 120 Lakhs equity shares of INR 10 each.

Issued, Subscribed and Paid-up Share Capital of the Company has increased to INR 1,029.80 Lakhs during the financial year under review as against INR 720.80 Lakhs in the corresponding previous Financial Year ended March 31, 2018.



During the financial year under consideration the shares of the company have been listed on SME Platform 'NSE EMERGE'. Thus, the company has allotted 3.09 Lakhs of Equity Shares at a Share Premium of INR 97 per Equity Share.

The Members are advised to refer the Note No. 02 for Equity Shares and Note No. 03 for Security Premium in the financial statements which forms the part of the Annual Report for detailed information.

i) Disclosure under Section 43(a)(ii) of The Companies Act, 2013:

The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a) (ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is included in the report.

ii) Disclosure under Section 54(1)(d) of The Companies Act, 2013:

The Company has not issued any sweat equity shares during the year under review and hence the provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 are not applicable.

iii) Disclosure under Section 62(1)(b) of The Companies Act, 2013:

The Company does not have any Employees Stock Option Scheme and hence the provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 are not applicable.

iv) Disclosure under Section 67(13) of The Companies Act, 2013:

During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014

v) ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL:

Issued, Subscribed and Paid-up Share Capital of the Company has increased to INR 1,029.80 Lakhs during the financial year under review as against INR 720.80 Lakhs in the corresponding previous Financial Year ended March 31, 2018.

The issued, subscribed and paid-up Capital of the Company stood at INR 102,980,000 (Rupees Ten Crore Twenty Nine Lakhs Eighty Thousand only) divided into 10,298,000 Equity Shares of face value of Rs.10 each as on 31st March 2019

B. Changes in Debt Structure

Debentures/Bonds/Warrants Or Any Non-Convertible Securities

During the year under review, the Company has not issued any debentures, bonds, warrants or any non-convertible securities. As on date, the Company does not have any outstanding debentures, bonds warrants or any non-convertible securities.

4. CREDIT RATING OF SECURITIES

During the financial year 2018-2019 under review the Company has not taken or issued any bonds or any debt instruments and neither has obtained any credit rating from them from any credit rating agencies.

**10. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

During the year under review, there was no amount liable or due to be transferred to Investor Education and Protection Fund during the financial year 2018-2019 ended 31st March 2019.

11. MANAGEMENT**I. Directors and Key Managerial Personnel**

The following are the Directors and key managerial personnel:

- 1. Mr. Sanjay Gupta** (DIN: 00527801) was appointed as Managing Director cum Chief Executive Officer (CEO) of the company at the Board Meeting held on 26.12.2017 and consent of the members has been taken at the Extraordinary Meeting held on 19.01.2018.
- 2. Mrs. Asha Gupta** (DIN: 02864795) was appointed as Whole-Time Director of the company at the Board Meeting held on 26.12.2017 and consent of the members has been taken at the Extraordinary Meeting held on 19.01.2018.
- 3. Mr. Suresh Kumar Jain** (DIN: 05103064) was appointed as Independent director at Extra-ordinary Meeting held on 31.01.2018.
- 4. Mr. Bishwa Nath Shukla** (DIN: 02257584) was appointed as Independent director of the company at Extraordinary Meeting held on 31.01.2018.
- 5. Mr. Shyam Sunder Soni** was appointed as director of the company, who shall be liable to retire by rotation at Extraordinary Meeting held on 31.01.2018.
- 6. Mr. Susheel Kumar Tyagi** (DIN: 06906354) was appointed as Additional Independent Director of the Company in the Board Meeting held on 13.11.2018.
- 7. Mr. Arun Kumar Goel** (Chartered Accountant) was appointed as Chief Financial Officer (CFO) at the Board Meeting held on 20.01.2018.
- 8. Ms. Parul Jain** bearing Membership No 50066, was appointed as Company Secretary & Compliance Officer of the company at the Board meeting held on 20.01.2018.

II. Change in Directorship

As per section 152(6)(a) **Mr. Shyam Sunder Soni, Non- Executive Director** retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

As per Section 152 and 160, **Mr. Susheel Kumar Tyagi** who was appointed as an Additional Director (Independent Category) in the Board Meeting held on 13th November, 2018 and whose office is liable to be vacated at the ensuing AGM and on the recommendation of the nomination and remuneration committee, the Board of Directors also proposed to appoint, **Mr. Susheel Kumar Tyagi** as Director [independent category] for a period of 5 years and also received consent in lieu thereof from **Mr. Susheel Kumar Tyagi**.

III. Declaration by Independent Directors and statement on compliance of code of conduct

All the Independent Directors have confirmed to the Board that they meet the criteria of independence as specified under Section 149(6) of the Act and that they qualify to be independent directors pursuant to the Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014. They have also confirmed that they meet the requirements of 'Independent Director' as mentioned under Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements Regulations, 2015).

The confirmations were placed before and noted by the Board.



IV. Board Meetings

During the financial year 2018-2019, the Board of Directors met Fourteen (14) times on (1) 4th April, 2018; 10th April, 2018(2); 1st May, 2018(3); 30th May, 2018(4); 31st May, 2018(5); 13th July, 2018(6); 14th August, 2018(7); 1st September, 2018(8); 1st October, 2018(9); 25th October, 2018(10); 13th November, 2018(11); 19th November, 2018(12); 28th December, 2018(13) and 21st January, 2019(14). The interval between the two meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013 and Regulation 17 - of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

V. Committee Meetings

Audit Committee

The company constituted the Audit Committee pursuant to the provision of Section 177 of the Companies Act, 2013 at the board meeting held on 06.02.2018.

5 meetings of the audit committee have been conducted during the financial year 18-19.

The following persons are members of the Audit committee:

1. Mr. Bishwa Nath Shukla; (DIN: 02257584) Independent Director (Chairman of committee);
2. Mr. Susheel Kumar Tyagi; (DIN: 06906354) Independent Director (Member of committee) and
3. Mr. Sanjay Gupta (DIN: 00527801) (Member of committee)

All the members of the Audit Company are financially literate.

Stakeholders Relationship Committee

The company constituted the Stakeholders Relationship Committee pursuant to the provision of Section 178 of the Companies Act, 2013 at the board meeting held on 06.02.2018.

3 meetings of the Stakeholders Relationship Committee were conducted.

The following persons are members of the Stakeholders Relationship committee:

1. Mr. Bishwa Nath Shukla; (DIN: 02257584) Independent Director (Chairman of committee);
2. Mr. Susheel Kumar Tyagi; (DIN: 06906354) Independent Director (Member of committee) and
3. Mr. Sanjay Gupta (DIN: 00527801) (Member of committee)

Nomination and Remuneration Committee

The company constituted and Nomination & Remuneration Committee pursuant to the provision of Section 178 of the Companies Act, 2013 at the board meeting held on 06.02.2018.

The meeting of the Nomination & Remuneration Committee was conducted on 13.11.2018.

The following persons are members of the Nomination and Remuneration committee:

1. Mr. Bishwa Nath Shukla; (DIN: 02257584) Independent Director (Chairman of committee);
2. Mr. Susheel Kumar Tyagi; (DIN: 06906354) Independent Director (Member of committee) and
3. Mr. Shyam Sunder Soni (DIN: 00396429) (Member of committee)

Corporate Social Responsibility(CSR) Committee

The Company has formed the CSR Policy and Interims of General Circular 21/2014 issued by the Ministry of Corporate Affairs, our contribution towards various activities undertaken qualifies as CSR expenditure.

The Board has duly constituted a CSR Committee and its composition is as under-

1. Mr. Bishwa Nath Shukla; (DIN: 02257584) Independent Director (Chairman of committee);
2. Mr. Shyam Sunder Soni (DIN: 00396429) (Member of committee)
3. Mr. Sanjay Gupta (DIN: 00527801) (Member of committee)



VI. Company's Policy on Directors' appointment and remuneration

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration as laid down in section 178 of the Companies Act, 2013.

VII. Board Evaluation

In compliances with the provisions of Section 134(3)(p) of the Act read with Rule 8(4) of the Companies (Accounts) Rules, 2014, the Board carried out Annual Evaluation of its own performance, that of its Committees and individual directors. The performance of board and its committees was evaluated by the board after seeking input from all the directors on the basis of the criteria, such as composition and structure of the Board, quality of deliberations, effectiveness of the procedures adopted by the Board, participation at the Board and committee meetings, governance reviews etc. Performance of individual directors was evaluated on the basis of criteria like transparency, analytical abilities, qualifications, leadership qualities, experience, participation in the long-term strategic planning and responsibilities shouldered.

VIII. Remuneration of Directors and Employees of Listed Companies

The information required pursuant to section 197 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees is given below:

A. Persons employed throughout the Financial Year ended 31 March, 2019, who were in receipt of remuneration for the year in which the aggregate was not less than Rs. 1 Crores 2 lakhs						
S. No.	Name	Designation	Remuneration (INR)	Qualification	Experience	Date of Appointment
	N.A.					

Further, the total strength of the employees as on 31st March 2019 was 419.

IX. Directors' Responsibility Statement

Pursuant to clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- In the preparation of the Annual Financial Statements for the year ended March 31, 2019, the applicable accounting standards had been followed along with proper explanation relating to material departures if any;
- The directors had selected such accounting policies and applied them 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 as at March 31, 2019 and of the Profit and Loss of the company for that period ended on that date;
- The directors had taken proper and sufficient care 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) The directors had prepared the annual accounts on a going concern basis;
- (e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

X. Internal Financial Controls

Your Company has put in place adequate internal financial controls with reference to the financial statements, some of which are outlined below: Your Company has adopted accounting policies which are in line with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 that continue to apply under Section 133 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 1956, to the extent applicable.

A system of strict internal control, including suitable monitoring procedures has always believed that transparency, systems and controls are important factors in the success and growth of any organization. The Company has an adequate system of internal control supported by an extensive programme of internal control; and systems are established to ensure that financial and other records are reliable for preparing financial statements. The internal controls existing in the Company are considered to be adequate vis-a-vis the business requirements. Your Company ensures adequacy with its current size and business, to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance of laws and regulations. It is supported by the internal audit process and will be enlarged to be adequate with the growth in the business activity.

XI. Reporting of Frauds by Auditors

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

XII. DISCLOSURES RELATING TO SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Report on performance and financial position of the subsidiaries, associates and joint ventures

During the financial year 2018-2019 under review, the Company has incorporated a Joint Venture Company. The details of Joint Venture is given below:

NDRAVG Business Park Private Limited

Our Company has formed a Joint Venture Company NDRAVG Business Park Private Limited (CIN:U45309TN2018PTC125055) with N D R Ware Housing Private Limited (CIN:U63023TN1986PTC013278). The Joint Venture Company was incorporated on 1st October, 2018 with Authorized Share Capital INR 300,000,000 divided into 30,000,000 shares of INR 10 each and Issued, Subscribed and Paid up Share Capital of the Company is INR 281,305,630 divided into 28,130,563 shares of INR 10 each. The Main object of the Company is:

1. To develop property at Sarita Vihar at New Delhi with provision for warehousing facility and allied facilities, such as cold storage.
2. To establish warehouses, bins, godowns and cold storages and to provide facilities for storage of commodities, articles and things of all kinds and description.

The Company has 35% equity stake in NDRAVG Business Park Private Limited.



A report on the performance and financial position of Associate including capital, reserves, total assets, total liabilities, details of investment, turnover, etc., pursuant to Section 129 of the Companies Act, 2013 in the Form AOC-1 as an Annexure - H, which forms part and parcel of the Board's Report.

Companies which have become or ceased to be subsidiaries, associates and joint ventures

During the financial year 2018-2019 under review none of the Companies have become or ceased to be subsidiaries, associates and joint ventures.

13. DETAILS OF DEPOSITS

During the Financial Year 2018-2019 under review, the Company has neither invited nor accepted any public deposits within the meaning of Section 73 and 74 of the Companies act 2013 read with Companies (Acceptance of Deposit) Rules, 2014. As such, no specific details prescribed in Rule 8(1) of the Companies (Accounts) Rules, 2014 (As amended) are required to be given or provided.

14. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

(a) Loan given by the company during financial year 2018-19 :

S.No.	NAME OF THE COMPANY	AS AT 31.03.2019
1.	M/S R.N. FINANCE LTD.	Rs. 2,82,00,000
2.	M/S DHAN KUBER FINANCE PVT. LTD.	Rs. 40,00,000
3.	M/S NDRAVG BUSINESS PARK PVT. LTD.	Rs. 59,81,389

(b) Investment made by the company during the financial year 2018-19 (Amount in INR Lakhs)

S. NO.	NAME OF THE COMPANY	AS AT 31.03.2019
1.	NDR AVG LOGISTICS BUSINESS PARK PVT. LTD.	831.07

15. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 IN THE PRESCRIBED FORM AOC-2:

As per the Requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has formulated a Policy on Related Party Transactions which is also available on Company's website at at www.avglogistics.com at a link <http://avglogistics.com/pdf/policy/policy-on-related-party.pdf>.

The Policy intends to ensure that proper reporting; approval and disclosure processes are in place for all transactions between the Company and Related Parties. There have been no materially significant related party transactions between the Company and the Directors, the management, the subsidiaries or the relatives except for those disclosed in the financial statements. Accordingly, particulars of contracts or arrangements with related parties referred to in Section 188(1) along with the justification for entering into such contract or arrangement is disclosed in the financials. All Related Party Transactions entered during the year were in Ordinary Course of the Business and on Arm's Length basis. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013 is disclosed in Form AOC-2 in Annexure-B is annexed to this report.



16. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The details about the CSR policy is attached as Annexure- E

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

A. CONSERVATION OF ENERGY

- (i) The steps taken or impact on conservation of energy;
The operations of the Company are not energy-intensive. However, adequate measures have been initiated for conservation of energy.
- (ii) The steps taken by the company for utilizing alternate sources of energy;
Not applicable in view of the nature of activities carried on by the Company.
- (iii) the capital investment on energy conservation equipment's
Not applicable in view of the nature of activities carried on by the Company.

B. TECHNOLOGY ABSORPTION

- (i) The efforts made towards technology absorption;
-Company has used high technology backed ink in its product and doing all necessary efforts to do further advancement in this regard.
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution;
- Company has been able to cater to the more security sensitive segment of customer through providing new technologies like track and trace.
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-
- There is no import of technologies in the last three year.
 - (a) the details of technology imported; N.A.
 - (b) the year of import; : N.A.
 - (c) whether the technology been fully absorbed; N.A.
 - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and –Not applicable
- (iv) The expenditure incurred on Research and Development.- Not applicable

C. FOREIGN EXCHANGE EARNING AND OUTGO

S.NO.	PARTICULARS	AMOUNT IN INR LAKH
1.	FOREIGN EXCHANGE EARNING	NIL
2.	FOREIGN EXCHANGE OUTGO	0.61

18. RISK ASSESSMENT AND MANAGEMENT

Risk is the part of the every one's life, while running any business there are many kind of risk is involved to minims the business risk and all the factors that will negativity effects the organization every company tries to follows a certain procedure for the forecasting of the risk and its management policy relating to this is available at a link <http://avglogistics.com/pdf/policy/policy-for-risk.pdf>

19. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM

The company has established a Whistle Blower Policy which also incorporates a Vigil Mechanism in terms of the SEBI (LODR) Regulations, 2015 for directors and employees commensurate to the size and the business of the company to promote ethical behavior, actual or suspected fraud or violation of ourcode of conduct and ethics. Under the said mechanism, the employees are free to report violations of applicable laws and regulations and the code of conduct. It also provide for adequate safeguards against the victimization of persons who use such mechanism. The Whistle Blower Policy of the Company is also available on the website



of the company at the link <http://avglogistics.com/pdf/policy/vigil-mechanism-for-dorectors-and-employees.pdf>. During the year, no whistle blower event was reported & mechanism is functioning well. Further, no personnel have been denied access to the Audit Committee.

20. MATERIAL ORDERS OF JUDICIAL BODIES / REGULATORS

There was no such order passed by any tribunal or court or regulator which may have impact upon the going concern status and company's operations in future.

21. AUDITORS

Statutory Auditor

In accordance with Section 139 of the Companies Act, 2013 and Rules made thereunder, Members at the 9th Annual General meeting of the Company approved the appointment of Statutory Auditors M/s MSKA & Associates (Formerly known as M/s. MZSK & Associates), Chartered Accountants (FRN 105047W), Chartered Accountants, for a period of five (5) consecutive years starting from F.Y. 2018-19 to 2022-23.

Pursuant to the notification issued by the Ministry of Corporate Affairs on 7th May, 2018 amending Section 139 of the Act, the mandatory requirement for ratification of appointment of Auditors by the Members include the proposal for seeking Members approval for ratification of appointment of Statutory Auditors of the Company.

The Statutory Auditors have not reported any frauds under Section 143(12) of the Act.

Internal Auditor

Pursuant to Section 138 of the Companies Act, 2013 & rules made thereunder, in the meeting of Board of Directors held on 21st January 2019, M/s AASM & Co. was appointed as Internal Auditors of the company.

Secretarial Auditor

Pursuant the provision of the Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial personal) Rules, 2014, the board appointed CS Sunni Gupta, Practicing Company Secretary, to conduct Secretarial Audit of the Company for the financial year 2018- 2019.

Cost Auditor

The provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 and Rule 14 of the Companies (Audit and Auditor) Rules, 2014 are not applicable for the business activities carried out by the Company.

22. SECRETARIAL AUDIT REPORT

Pursuant the provision of the Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial personal) Rules, 2014, the board appointed CS Sunni Gupta, Practicing Company Secretary, to conduct Secretarial Audit of the Company for the financial year 2018- 2019. The Secretarial Audit report in Form MR-3 is attached as Annexure-D and forms part of this report. The Secretarial Audit Report is self explanatory and no comments are required to be given on the same except compliances pertaining to payment of stamp duty as on 31st day of March, 2019 on issuance of equity shares and it was explained to the Secretarial auditor that the company has filed all the requisite documents with the revenue department for payment of stamp duty and case is pending with SDM.

23. EXPLANATIONS IN RESPONSE TO AUDITORS' QUALIFICATIONS

(I) BY THE STATUTORYAUDITOR IN HIS REPORT; AND



The qualified opinion made by the auditors in their report, have been deeply examined by the Board of Directors before the approval of financial statements. The observations made by the auditors in their report are self-explanatory and have also been further amplified in the Notes to the Account and as such do not call for any explanations. The qualified opinion made by the auditors in their Independent Auditor's Report, in respect of freight income from transporters amounting to INR 1,944.70 Lakh, it has been explained by the Board of Directors that the Company, owing to its strategy to expand its operations, undertook consignments of/ from various transport entities to deliver such consignments at desired locations. Such business revenues are exempt from GST. During the current financial year, the Company has earned such income amounting to INR 4,144.44 lakhs (Previous year 2,284.51 lakhs) from such transporters which included INR 1,944.70 Lakhs booked during the months of January, February and March, 2019, invoices for which were raised in March, 2019. The Company is confident of recovering entire amount from such parties in due course of time. Further, the Company is taking steps to strengthen its internal control system to ensure timely and accurate booking of revenue along with requisite supporting. Likewise, in respect of lorry Trip Advance amounting to INR 1749.56 Lakhs, the Board of Directors has explained that since the Company is engaged in transportation business, it is expected to provide advances to its own lorry drivers to meet necessary trip expenses. As such, as on March 31, 2019, the Company has outstanding 'Lorry Trip Advance' amounting to INR 1,749.56 Lakhs disclosed under the head 'Short-term loans and advances'. The Company recognizes transportation expense on the basis of information submitted by its drivers after the completion of each trip and adjusts the advance given to them. The Company is in process of reconciling trip wise advance with the settlement sheet to establish one to one linkage of such advances. As far of the audit report in respect of computation of income tax is concerned, it was explained that the Company has computed the income tax expenses, however final computation of taxable income and tax expense thereon would be concluded once tax audit is finalized. Further the Company believes that the provision accrued in books is adequate.

(III) BY THE COMPANY SECRETARY IN PRACTICE IN HIS SECRETARIAL AUDIT REPORT:

There are no qualifications, reservations, adverse remarks or disclaimers made by M/s. Sunni Gupta & Associates, Company Secretary in Practice, in his Secretarial Audit Report except certain compliances complied with by paying additional fees or penalty and compliances pertaining to payment of stamp duty as on 31st day of March, 2019 on issuance of equity shares and it was explained to the Secretarial auditor that the company has filed all the requisite documents with the revenue department for payment of stamp duty and case is pending with SDM.

24. COMPLIANCE WITH SECRETARIAL STANDARD

During the year, your Company has duly complied with the provisions of all applicable Secretarial Standards viz. the Secretarial Standard-1 on Board Meetings (SS-1) and the Secretarial Standard-2 on General Meetings (SS-2) issued by The Institute of Company Secretaries of India and approved by the Central Government, and that such systems are adequate and operating effectively.

25. REPORTING OF ANY PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016(IBC):

During the financial year 2018-2019 under review, the Company has not passed or filed any resolution/application or by any financial operational creditor against the Company under the Insolvency and Bankruptcy Code, 2016 before National Company Law Tribunal.

26. DETAILS OF ANY FAILURE TO IMPLEMENT ANY CORPORATE ACTION:

During the financial year 2018-2019 under review, the Company has not failed to implement any corporate action within the specified time Limit as declared under Section 125 of the Companies Act 2013 and relevant rules made there under.



27. ANNUAL RETURN

Extract of Annual Return in Form MGT-9 containing details as on the financial year ended 31st March, 2019 as required under Section 92(3) of the Companies Act, 2013 read with The Companies (Management and Administration) Rules 2014, is annexed herewith as Annexure-A which forms part of this report.

28. OTHER DISCLOSURES

A. CONSOLIDATED FINANCIAL STATEMENTS

In accordance with Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 issued by the Ministry of Corporate Affairs, Consolidated Financial Statements of the Company and its Associate has been prepared for the FY 2018-2019. The audited consolidated financial statements along with the auditor's report thereon forms part of this Annual Report. The consolidated financial statements, presented by the Company include the financial results of its Associate. The audited standalone financial statements of these entities have been reviewed by the Audit Committee and the Board and is available on our website http://www.avglogistics.com/upload/document/document_865376006.pdf. These documents will also be available for inspection during business hours at our registered office of the Company.

B. HUMAN RESOURCE DEVELOPMENT

Considering the huge scope of growth in organized industry, we are putting our best efforts to cater to such developments in a much more planned way when it comes to dealing with our employee base. A continuous effort is being made to make AVG a great place of work by providing a platform to employees where they feel empowered & engaged. At AVG, we always strive for continuous improvement and believe in our strong foundation which gets reflected in our values and systems.

With a view to ensure the overall growth as well as the talent of the employees, the Company arranged in-house training and development programmes from time to time for the employees working in the various departments of the Company of almost every segment. Thus, the morale of employees continued to remain high during the year, contributing positively to the progress of the Company. This is a challenge as only growth can fulfill these aspirations and in today's market scenarios one has to perform extraordinarily to achieve growth.

29. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year 2018-19, as stipulated under Regulation 34(2)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached as Annexure-C forming part of this Annual Report, and gives detail of overall industry structure, developments performance and state of affairs of the Company's operations during the year.

30. CORPORATE GOVERNANCE

Since the Company Securities are listed on SME Emerge platform of NSE, by virtue of Regulation 15 of SEBI (Listing Obligation & Disclosure Requirements) Regulations 2015 the compliance with the corporate governance provisions as specified in regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V are not applicable to the Company. Hence Corporate Governance does not form part of this Board Report.

However, with the increase in the competitive environment in all kind of business scenario, the concept of corporate governance becomes very popular. As such, the company always shown their interest in adopting business policies, strategies as well as laid down procedures to ensure the complete and comprehensive



transparency in the operational activities of the company in almost every level of the organization and to have to the maximum possible extent the disclosure in order to introduce the philosophy of corporate governance in the organization. Besides, the company always adheres to all the applicable laws by ensuring timely compliances thereof as well as to have comprehensive disclosures by way of presenting various documentations, reports etc.

31. POLICIES ADOPTED BY THE COMPANY

Your company has adopted various policies for the smooth working of the company which are as follows:

POLICY ON ARCHIVAL OF DOCUMENTS

This policy deals with the retention and archival of the corporate record, these records are prepared by the employees of the company under this policy any material information relating to the company shall be hosted on the website of the company for the investors and public and remain there for period of five year. The policy of the company for the access is available on this link <http://avglogistics.com/pdf/policy/policy-on-archival.pdf>.

CODE OF PRACTICE & PROCEDURE FOR FAIR DISCLOSURE

Certain code of practice is required from the senior management including the Board of Directors of the Company; they have to be abiding by the rules and laws applicable on the company for the good governance and business ethics. It describes their responsibility and accountability towards the company. Policy of the company relating to that is available on this link <http://avglogistics.com/pdf/policy/code-of-practice-&-procedure.pdf>.

NOMINATION AND REMUNERATION

Based on the recommendations of the Nomination and Remuneration Committee, the Board has approved the Remuneration Policy for Directors, KMP and all other employees of the Company. As part of the policy, the Company strives to ensure that:

- a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- b. Relationship between remuneration and performance is clear and meets appropriate performance benchmarks.
- c. Remuneration to Directors, KMP and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- d. Policy relating to the nomination and remuneration of the company is available on the website of the company at the link <http://avglogistics.com/pdf/policy/nomination-and-remuneration.pdf>

PRESERVATION OF DOCUMENTS

The Corporate records need to be kept at the places and manner defined under the Act policy relating to that for the safe keeping of the documents is available at a link <http://avglogistics.com/pdf/policy/policy-for-preservation.pdf>

RELATED PARTY TRANSACTIONS

The Objective of the Policy is to set out:

- a. The materiality thresholds for related party transactions;
- b. The manner of dealing with the transactions between the Company and its related parties based on the Act.
- c. your company adopted this policy for dealing with parties in a transparent manner availableat this link <http://avglogistics.com/pdf/policy/policy-on-related-party.pdf>



RISK ASSESSMENT AND MANAGEMENT

Risk is the part of the every one's life, while running any business there are many kind of risk is involved to minimis the business risk and all the factors that will negativity effects the organization every company tries to follows a certain procedure for the forecasting of the risk and its management policy relating to this is available at a link <http://avglogistics.com/pdf/policy/policy-for-risk.pdf>

TERMS AND CONDITIONS FOR APPOINTMENT OF INDEPENDENT DIRECTORS

Independent directors are the key part of the board according to the Schedule IV to the Companies Act, 2013 they are skilled, experienced and knowledgeable persons, they are required on the board to take improved and better decisions policy relating to the appointment will be help full for the board policy of the company is available at a link <http://avglogistics.com/pdf/policy/terms-&-condition-of-appointment.pdf>

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

Our Company is an equal opportunity provider and believes in providing opportunity and key positions to women professionals. At the same time, it has been an Endeavour of the Company to support women professionals through a safe, healthy and conducive working environment by creating and implementing proper policies to tackle issues relating to safe and proper working conditions for them. As per the provisions of section 21 and 22 of the Sexual Harassment of Women at Workplace the company in any manner a code of conduct is required for them for their unbiased comments regarding the working of the company. They will follow the code while imparting in any activity of the company policy deals with the code of conduct of the Independent Directors, their duties and responsibilities towards the company, is available at a link <http://avglogistics.com/pdf/policy/policy-for-preservation-of-sexual-harassment.pdf>

MATERIALITY POLICY

From the point of Listed entity, investors of the entity of the also expecting more and more information for the company, so under this policy the management of the company determines the material events of the company and disclosed them for their investors. Under this policy company may decide all those events and information which are material and important that is compulsory to be disclosed for the investors about the company, policy related to this is available at a link <http://avglogistics.com/pdf/policy/materiality-policy.pdf>

FAMILIARIZATION PROGRAMME OF INDEPENDENT DIRECTORS

Under Familiarization programme all Independent Directors (IDs) inducted into the Board are given an orientation, presentations are made by Executive Directors (EDs) and Senior Management giving an overview of our operations, to familiarize the new IDs with the Company's business operations. The new IDs are given an orientation on our products, group structure and subsidiaries, board constitution and procedures, matters reserved for the Board, and our major risks and risk management strategy. This policy includes to keep updated to the independent directors about the working of the company and projects in which company is involved various programme are conducted by the company for the IDs. The Policy on the Company's Familiarization Programme for IDs can be accessed at a link <http://avglogistics.com/pdf/policy/familiarization-programmes.pdf>

POLICY FOR VERIFICATION OF FIXED ASSETS

The Company conducts the physical verification of its fixed assets with the object to identify the existence, quantity and condition of its fixed assets. Now with a view to exercise better and effective checks and control upon the fixed assets, a detailed and comprehensive policy has been developed and duly approved by the Board of directors.

The Policy for verification of fixed assets can be accessed at a link http://www.avglogistics.com/upload/document/document_1128398398.pdf

**32. DISCLOSURES PERTAINING TO THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE
(PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has always provided a congenial atmosphere for work to all sections of the society. Your Company is committed (Prevention, Prohibition and Redressal) Act, 2013, the report on the details of the number of cases filed under Sexual Harassment and their disposal, during the calendar year 2018- 2019 is as under:

Number of cases pending as on the beginning of the financial year	NIL
Number of complaints filed during the financial year	NIL
Number of cases pending as on the end of the financial year	NIL

33. ACKNOWLEDGEMENT

The Directors take this opportunity to express their gratitude towards the Company's customers, shareholders, investors, suppliers, bankers, financial institutions, auditors and Central & State Governments for their everlasting support to the Company. The Directors also wish to place on record their appreciation to employees and associates at all levels for their diligence, loyalty and commitment.

FOR AVG LOGISTICS LIMITED**SANJAY GUPTA
CHAIRMAN
DIN: 00527801****02.09.2019
NEW DELHI**



ANNEXURE-A

Form No.MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON March 31, 2019

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

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L60200DL2010PLC198327
ii.	Registration Date	25/01/2010
iii.	Name of the Company	AVG LOGISTICS LIMITED
iv.	Category/Sub-Category of the Company	Public Company
v.	Address of the Registered office and contact details	OFFICE NO 25, DDA MARKET, SAVITA VIHAR, DELHI- 110092
vi.	Whether listed company	YES
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	LINKINTIME INDIA PRIVATE LIMITED C-101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400083, Maharashtra. Tel: +91 22 4918 6200; Fax: +91 22 4918 6195 Website: www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Transportation Services	49120, 49231, 5210	83.61
2.	Trading of Goods	46610	11.39

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shareheld	Applicable Section
1.	NDRAVG Business Park Private Limited	U45309TN2018PTC125055	Associate	35%	Section 2(6)


IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i. Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/HUF		72,08,000	72,08,000	100	72,08,000		72,08,000	69.99	
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp									
e) Banks / FI									
f) Any Other									
Sub-total(A)(1):-		72,08,000	72,08,000	100	72,08,000		72,08,000	69.99	
2) Foreign									
g) NRIs-Individuals									
h) Other-Individuals									
i) Bodies Corp.									
j) Banks / FI									
k) Any Other....									
Sub-total(A)(2):-									
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Portfolio Investors	0		0		73200		73200	0.71	



a) Alternate Investment Funds	0		0		1672800		1672800	16.24	
Sub-total(B)(1)	0		0		1746000		1746000	16.95	
2. Non Institutions									
a) Bodies Corp. (i) Indian (ii) Overseas									
b) Individuals									
(i) Individual shareholders holding nominal share capital up to Rs. 2 Lakh	0		0		605960		605960	5.89	
(ii) Individual shareholders holding nominal share capital in excess of Rs 2 Lakh	0		0		546580		546580	5.31	
c) Others(Specify)	0		0		191460		191460	1.86	
Sub-total(B)(2)	0		0		1344000		1344000	13.06	
Total Public Shareholding (B)=(B)(1)+ (B)(2)					3090000		3090000	30.00	
C. Shares held by Custodian for GDRs &ADRs									
Grand Total (A+B+C)		72,08,000		100	10298000		10298000	100	

ii .Shareholding of Promoters



Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the compan	%of Shares Pledged / encumbere d to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1.	Mr. Sanjay Gupta	1232500	17.11		12,32,500	11.97		
2.	Mrs. Asha Gupta	5482500	76.10		54,82,500	53.24		
3.	Mrs. Niti Gupta	4,89,000	6.79		4,89,000	4.75		
4.	Mr. Vinayak Gupta	0	0		1000	0.01		
5.	Mr. Praveen Kumar	0	0		1000	0.01		
6.	Mr. Vijay Kumar Garg	0	0		1000	0.01		
7.	Mr. Jagdish Chander sharma	0	0		1000	0.01		

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sr. no		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.	NITI GUPTA				
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year				



iv. Shareholding Pattern of top ten shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.		Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
	Name & Type of Transaction	NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	SIXTH SENSE INDIA OPPORTUNITIES II	0	0.0000			0	0.0000
	Transfer			13 Apr 2018	1162800	1162800	11.2915
	Transfer			19 Oct 2018	105600	1268400	12.3170
	Transfer			09 Nov 2018	50400	1318800	12.8064
	Transfer			14 Dec 2018	208800	1527600	14.8339
	Transfer			04 Jan 2019	51600	1579200	15.3350
	Transfer			08 Feb 2019	93600	1672800	16.2439
	AT THE END OF THE YEAR					1672800	16.2439
2	PATHIK SHYAMSUNDER GANDOTRA	0	0.0000			0	0.0000
	Transfer			13 Apr 2018	46800	46800	0.4545
	Transfer			20 Apr 2018	145200	192000	1.8644
	AT THE END OF THE YEAR					192000	1.8644
3	VED PARKASH .	0	0.0000			0	0.0000
	Transfer			20 Apr 2018	81600	81600	0.7924
	Transfer			27 Apr 2018	1200	82800	0.8040
	Transfer			04 May 2018	61200	144000	1.3983
	Transfer			06 Jul 2018	39600	183600	1.7829
	Transfer			14 Sep 2018	580	184180	1.7885
	AT THE END OF THE YEAR					184180	1.7885
4	PASSAGE TO INDIA MASTER FUND LIMITED	0	0.0000			0	0.0000
	Transfer			13 Apr 2018	73200	73200	0.7108
	AT THE END OF THE YEAR					73200	0.7108
5	MINAXI PARMANAND KHANDWALA	0	0.0000			0	0.0000
	Transfer			13 Apr 2018	92400	92400	0.8973



	Transfer			27 Apr 2018	(52800)	39600	0.3845
	AT THE END OF THE YEAR					39600	0.3845
6	CHANDRIKA J. MODI	0	0.0000			0	0.0000
	Transfer			13 Apr 2018	3600	3600	0.0350
	Transfer			20 Apr 2018	3600	7200	0.0699
	Transfer			27 Apr 2018	2400	9600	0.0932
	Transfer			27 Jul 2018	2400	12000	0.1165
	Transfer			30 Nov 2018	3600	15600	0.1515
	Transfer			07 Dec 2018	18000	33600	0.3263
	AT THE END OF THE YEAR					33600	0.3263
7	HITEN VAMANRAI PAREKH	0	0.0000			0	0.0000
	Transfer			13 Apr 2018	26400	26400	0.2564
	Transfer			29 Mar 2019	(1200)	25200	0.2447
	AT THE END OF THE YEAR					25200	0.2447
8	PINESH VAGHJIBHAI SHAH	0	0.0000			0	0.0000
	Transfer			13 Apr 2018	24000	24000	0.2331
	AT THE END OF THE YEAR					24000	0.2331
9	NAVNEET KUMAR SARAF	0	0.0000			0	0.0000
	Transfer			13 Apr 2018	7200	7200	0.0699
	Transfer			04 May 2018	16800	24000	0.2331
	AT THE END OF THE YEAR					24000	0.2331
10	TEJAS M SAVANI	0	0.0000			0	0.0000
	Transfer			30 Nov 2018	1200	1200	0.0117
	Transfer			07 Dec 2018	3600	4800	0.0466
	Transfer			21 Dec 2018	1200	6000	0.0583
	Transfer			28 Dec 2018	1200	7200	0.0699
	Transfer			04 Jan 2019	1200	8400	0.0816
	Transfer			18 Jan 2019	1200	9600	0.0932
	Transfer			08 Mar 2019	4800	14400	0.1398
	Transfer			15 Mar 2019	4800	19200	0.1864
	Transfer			22 Mar 2019	4800	24000	0.2331
	AT THE END OF THE YEAR					24000	0.2331



v. *Shareholding of Directors and Key Managerial Personnel:*

S. No.		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.	SANJAY GUPTA				
	At the beginning of the year	12,32,500	17.10		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year (or on the date of separation, if separated during the year)	12,32,500	11.97		
2.	ASHA GUPTA				
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the Company
	At the beginning of the year	54,82,500	76.06		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year (or on the date of separation, if separated during the year)	54,82,500	53.24		

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment
(in lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	1636.51	0		1636.51
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not				
Total(i+ii+iii)	1636.51	0	0	1636.51
Change in Indebtedness during the financial year				
- Addition	5623.77			5623.77
- Reduction				
Net Change	5623.77	0	0	5623.77
Indebtedness at the end of the financial year	7260.28			7260.28
i) Principal Amount	41.49			
ii) Interest due but not paid				
iii) Interest accrued but not due				41.49
Total (i+ii+iii)	7301.77	0	0	7301.77



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Sanjay Gupta (M.D.)	Asha Gupta (W.T.D.)	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (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	72,00,000	60,00,000	1,32,00,000
2.	Stock Option			

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		SURESH KUMAR JAIN	BISWANATH SHUKLA	SUSHEEL KR. TYAGI	
	Independent Directors · Fee for attending board committee meetings · Commission · Others, please specify	40,000	80,000	20,000	1,40,000
	Total(1)	40,000	80,000	20,000	1,40,000
	Other Non-Executive Directors · Fee for attending board committee meetings · Commission · Others, please specify	80,000			80,000
	Total(2)	80,000	0		80,000
	Total(B)=(1+2)	1,20,000	80,000	20,000	2,20,000
	Total Managerial Remuneration				
	Overall Ceiling as per the Act				
1.	Sweat Equity				
2.	Commission - as % of profit - Others, specify...				
3.	Others, please specify				
4.	Total(A)				
	Ceiling as per the Act				



C. Remuneration to Key Managerial Personnel Other Than MD/ Manager/ WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
			PARUL JAIN	ARUN KUMAR GOEL	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (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		2,64,000	38,25,000	
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of profit - others specify				
5.	Others, please specify				
6.	Total		2,64,000	38,25,000	

Vii. PENALTIES/PUNISHMENT/COMPOUNDING OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD /NCLT/ Court]	Appeal made. If any (give details)
A. Company					
Penalty		Late filing of financials for the period ended on 30.09.18	INR 35400	SEBI	
Punishment					
Compounding					
Penalty					
Punishment					
Compounding					
C. Other Officers In Default					
Penalty					
Punishment					
Compounding					

FOR AVG LOGISTICS LIMITED

02.09.2019
NEW DELHI

SANJAY GUPTA
CHAIRMAN
DIN: 00527801



ANNEXURE-B

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
	Name (s) of the related party & nature of relationship	N.A.
	Nature of contracts/arrangements/transaction	
	Duration of the contracts/arrangements/transaction	
	Salient terms of the contracts or arrangements or transaction including the value, if any	
	Justification for entering into such contracts or arrangements or transactions'	
	Date of approval by the Board	
	Amount paid as advances, if any	
	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	



2. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
1.	Name (s) of the related party & nature of relationship	M.A. Enterprises Relationship: A firm, in which Mrs. Asha Gupta, Director and Mr. Sanjay Gupta, Managing Director are partners.
	Nature of contracts/arrangements/transaction	Leasing of property
	Duration of the contracts/arrangements/transaction	
	Salient terms of the contracts or arrangements or transaction including the value, if any	Rental income During The relevant period - 0.60 Lakhs Lorry hire expense paid during the year - 6.69 Lakhs
	Date of approval by the Board	Not Required
	Amount paid as advances, if any	
2.	Name (s) of the related party & nature of relationship	PCG Logistics Pvt Ltd. Relationship: A Private Company in which Directors of our Company are Directors. 1. Asha Gupta. 2. Sanjay Gupta.
	Nature of contracts/arrangements/transaction	Availing of services
	Duration of the contracts/arrangements/transaction	
	Salient terms of the contracts or arrangements or transaction including the value, if any	Freight Income during year – 70.05 Lakhs
	Date of approval by the Board	Not Required
	Amount paid as advances, if any	

FOR AVG LOGISTICS LIMITED

02.09.2019
NEW DELHISANJAY GUPTA
CHAIRMAN
DIN: 00527801

**ANNEXURE - C****MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
OVERVIEW**

As per an estimate, Logistics is a \$4.3 Trillion Industry Globally. Excellence in Logistics depends on Infrastructure, Skills, Customs and Regulations, Policies and Governance. India presents a burgeoning opportunity with a distinct advantage over other emerging markets. It is expected to grow at 10% CAGR from FY 2019 to 2022. A mixture of demographic, economic and policy trends are transforming the Indian logistics sector into a high growth sector.

The Government of India (GoI)'s announcement of "Bharatmala Pariyojana" is another big step in enhancement of infrastructural reforms. The Bharatmala Paryojana initiative aims to increase the national highway network from 110,00 kms to 200,000 kms. This initiative targets to increase roads laid per day to 46 kms from 27 kms in FY 2018. All these efforts should result in improved efficiencies and resulting lower costs of operations.

Corporates are now aiming to obtain end-to-end solutions for their logistics, starting from Primary transportation to last mile distribution. The trend is clearly evident from their shift to organized players from unorganized ones. Contract logistics in India is expected to grow at 15% CAGR from FY 2019 to 2021. AVG Logistics Limited (hereinafter referred to as "AVG") seems to be an obvious gainer in this scenario. AVG offers the full bouquet of the logistics solutions starting from road, rail, air and ship transporter to providing Warehouse and related value added services to Customs Clearances/Cargo handling and Door to Door services.

OPPORTUNITIES AND THREATS

GST implementation has forced the Corporates to consolidate their supply chains for market efficiency, instead of tax efficiency. This is creating an opportunity for multi user warehouses with value added services. To take advantage of this situation, AVG is coming up with its New Warehouses at Agartala and Mysore. The Construction for these Warehouses has already started and is expected to complete in FY 2019-20. Apart from the said locations, AVG is already operating Warehouses at Okhla (Delhi), ModiNagar (UP), Dasna (UP), Nangli Poona (Delhi) and Panipat (Haryana).

Any changes in regulatory norms by the Government of India (GoI) may impact the operations. AVG is continuously making an effort, leveraging technological advancements and expanding the product portfolio to minimize the regulatory risk, if any.

There could be a margin pressure due to competition from unorganized sector and new entrants.

SEGEMENT WISE PERFORMANCE

Set forth below is a table illustrating the breakdown of our revenue from operations, across the business segments:

Segments	Fiscal 2019		Fiscal 2019	
	Amount	% of total revenue	Amount	% of total
	INR in Lacs	from oeperations	INR in Lacs	revenue from
Freight	26209.76	83.6	18993.39	83.8
Warehouse	1443.15	4.6	1468.37	6.5
Sale of Traded goods	3569.34	11.4	2184.64	9.6
Sub-Lease	126.96	0.4	12.96	0.1
Revenue from Operations	31349.21	100	22659.36	100



BUSINESS STRATEGY

AVG aims to improve lives by delivering growth and seamlessly connecting businesses with market. Infusing technology and innovation, AVG want to assure its customers with the highest standards of safety, quality and compliance.

Existing Business

AVG started initially by servicing logistics requirements of Nestle India Limited. Over the years, relationship between AVG and Nestle India Limited has grown and currently AVG provides transport, warehouse and other value added services for the amount exceeding INR 900 Lakhs p.a.

AVG over the years has developed deep business relations with Amara Raja Batteries Ltd; Dharampal Satyapal Ltd; SC Johnson Products Pvt Ltd; Duraline India Pvt Ltd; Rosenberger Electronics Co India Pvt Ltd; Bharti Airtel Ltd; Glaxo Smithkline Consumer Healthcare Ltd and MRF Ltd. AVG stays committed to serve all the logistics requirements of these partners on priority.

New Business

AVG is aggressively trying to expand its operations by adding new customers. Currently AVG has expanded its business relations with Dabur India Ltd; Heinz; Tamil Nadu Newsprint and Paper Ltd; LT Foods; Mondelez India Foods Limited; Exide Batteries Limited to name a few.

Continued Focus on digitization and enhancement in technology

AVG continues to focus on enhancements in technology with innovative operational models improving transparency, data availability and efficiency. AVG has already implemented E-invoicing, Tyre Protection and Management Solutions (TPMS), Stock & Inventory Management and Real time tracking of vehicles and is actively working on Centralized online indenting Portal, Route Optimization, and Telematics along with other initiatives.

RISKS AND CONCERNS

AVG recognizes that the risks can affect its ability to create value for all stakeholders and has in place mechanisms to handle.

The major risks and concerns associated with the business of AVG includes:

- Ø Highly competitive industry with many unorganized players
- Ø Dependence on Business partners for Vehicles/Warehouse

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

AVG has in place an adequate system of internal control commensurate with its size and nature of its business. These have been designed to provide reasonable assurance that all assets are safeguarded and protected against loss from unauthorized use or disposition and that all transactions are authorized, recorded and reported correctly and the business operations are conducted as per the prescribed policies and procedures of the Company. The Audit Committee and the management have reviewed the adequacy of the internal control systems and suitable steps are taken to improve the same.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

In the financial year 2018-19, the company achieved significant increase of 39.06 % in revenues over last year revenues. In financial year 2017-18, the increase was only 16.51%. The significant increase in revenues in FY 2018-19 was driven mainly by volume growth and price mix realization and addition of some valuable customers.



Particulars	As at March 31			
	2019	2018	2017	2016
Income				
Revenue from Operations	31349.21	22659.36	19474.50	19218.75
Increase/Decrease	38.35%	16.35%	1.33%	4.95%
Other Income	221.02	43.74	11.38	10.60
Increase/Decrease	405.30%	284.36%	7.36%	-46.52%
Total Revenue	31570.23	22703.10	19485.88	19229.35
Increase/Decrease	39.06%	16.51%	1.33%	4.90%
EBITDA	2933.32	2450.62	1667.35	1599.68
As a % of Total Revenue	9.29%	10.79%	8.56%	8.32%
Increase/Decrease	19.70%	46.98%	4.23%	21.08%
Profit before Tax (PBT)	1340.14	1202.57	640.47	573.57
As a % of Total Revenue	4.24%	5.30%	3.29%	2.98%
Increase/Decrease	11.44%	87.76%	11.66%	18.55%
Profit after Tax (PAT)	1011.67	754.65	450.45	380.16
As a % of Total Revenue	3.20%	3.32%	2.31%	1.98%
Increase/Decrease	34.06%	67.53%	18.49%	19.06%

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

The human resources have to be commensurate with the size and growth of the business. As per company HR policy, it has been employing suitable no. Of employees from time to time of requisite qualifications and experience and requisite expertise in respective fields. As of 31st March, the company has 291 employees including trainees. The focus during the year has been around enhancing the productivity of employees. The growth in business was achieved with marginal increase in workforce strength. This was achieved by active redeployment of resources, introducing multi-taskers and job enlargements.

The company has also successfully initiated a management training program under which few management graduates from reputed management schools have been inducted into the company. This program aims to build a talent pipeline for future and act as a source for industry requirements.

CAUTIONARY STATEMENT

The statements contained in the Board's Report and Management Discussion and Analysis contain certain statements relating to the future and therefore are forward looking within the meaning of applicable securities, laws and regulations. Various factors such as economic conditions, changes in government regulations, tax regime, other statutes, market forces and other associated and incidental factors may however lead to variation in actual results.

**ANNEXURE- D**

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED March 31st, 2019
[Pursuant to section 204(1) of the Companies Act, 2013 and rule
No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
AVG Logistics Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by AVG Logistics Limited (hereinafter called "**the company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for reevaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the company's 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, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year 2018-2019 ended on March 31st 2019, 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year 2018-2019 ended on March 31st, 2019 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. 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;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - 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 (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not Applicable since, the Company has not raised further capital during the year).
 - D. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not Applicable since, the Company has not raised capital under these schemes during the year).



- E. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;(Not Applicable since, the Company has not issued any debt securities during the year.)
 - F. The Securities and Exchange Board of India (Registrars to IssueandShareTransferAgents)Regulations,1993regardingthe Companies Act and dealing withclient;
 - G. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;(Not applicable since the Company has not delisted its shares during the year).
 - H. The Securities and Exchange Board of India (Buyback of Securities) Regulations,1998;(Not applicable).
6. The management has not identified and confirmed any laws as specifically applicable to company.
7. We have also examined compliance with the applicable clauses of the following:
- A. Secretarial Standards issued by The Institute of Company Secretaries of India;
 - B. TheListingAgreementsenteredintobytheCompanywith National Stock Exchange India Limited;
 - C. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

We further report that the provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made there under in relation to External Commercial Borrowings were not attracted during the financial year under report.

We further report that: 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 Audit Period were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven clear days in advance or consent of all directors were received in writing for shorter Board Meeting notice 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. All decision at Board Meetings and Committee Meetings are carried unanimously as recorded in the minutes of the Meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the Audit Period, the Company has not incurred any specific event/ action that can have a major bearing on the company's compliance responsibilities in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., except as follows:

1. **Initial Public Offer And Listing Of Shares:** The Company came out with IPO on NSE EMERGE platform and offered 30,90,000 equity shares with a face value of Rs. 10/- each at a premium of Rs. 97/- each, which was oversubscribed and as such the shares of the Company were listed on SME platform 'NSE EMERGE' on 11th, April, 2018.
2. **Listing Compliances:** The Company has complied with all the SEBI (Listing Obligations & Disclosure Requirements), 2015 compliances and successfully filed/uploaded periodical information on NSE except delay in filing of half yearly financial results for the period ended on 30th September, 2018 by 6 days as such



NSE levied a penalty of Rs. 35400 as well as there was 1 day delay in filing of Share Capital Audit Report related to the first quarter.

- 3. Stamping of Shares:** There was a delay in filing of documents for payment of stamp duty of the shares so allotted on closure of IPO & still stamp duty is payable, being matter pending with the SDM as on 31st March, 2019.
- 4. Compliance regarding filing of Returns/ Forms with MCA:** The Company although has complied with all the provisions with regards to filing of Returns/Forms within the stipulated period prescribed for such purpose except In some of the matters where Forms/ Returns were filed with additional fees/ penalty.

We further report that we rely on Statutory Auditor's Report in relation to the financial statements and accuracy of financial figures for Sales Tax, Related Party Transactions, Provident Fund, ESIC, etc. as disclosed under Financial Statements, Accounting Standard 18 and note on foreign currency transactions during our audit period.

M/s Sunni Gupta & ASSOCIATES

C.S. Sunni Gupta
ACS 47392
C.P. No.: 17871

Date: 15.07.2019

Place: DELHI

'Annexure'

To,
The Members
AVG Logistics Limited

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

- Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
- 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 and the record made available to us.
- 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.

M/s Sunni Gupta & ASSOCIATES

C.S. Sunni Gupta
ACS 47392
C.P. No.: 17871

Date: 15.07.2019

Place: DELHI

**ANNEXURE- E****ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

1. A brief outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

CSR Policy (Approved by the Board of Directors on 13.11.2018)

The CSR policy of the Company is hosted on the website of the Company and can be accessed at the below link http://www.avglogistics.com/upload/document/document_572731300.pdf

The Company has formed the CSR Policy and Interms of General Circular 21/2014 issued by the Ministry of Corporate Affairs, our contribution towards various activities undertaken qualifies as CSR expenditure.

2. Composition of the CSR Committee

The Board has duly constituted a CSR Committee and its composition is as under-

Name of the Member	Designation
Bishwanath Shukla	Chairman
Shyam Sunder Soni	Member
Sanjay Gupta	Member

3. Average Net profit of the Company for last 3 financial years:

The average net profits for the last three financial years computed as stated under Section 135 of the Companies Act, 2013 INR `528.42'lakhs.

4. Prescribed CSR expenditure (Two per cent. of the amount as in item no.3 above):

As stipulated under the Companies Act, 2013, the prescribed CSR expenditure i.e. 2 % of the amount as mentioned above is INR 10.57 lakhs.

5. Details of CSR spent during the financial year:

- a) Total amount to be spent for the Financial Year –INR 10.57 lakhs
- b) Amount Spent –INR 18.14 lakhs
- c) Manner in which the amount spend during the financial year is detailed below:



(IN LAKHS)

S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs - State / Union territories where the project / program undertaken	Amount outlay (Budget) project or programs wise	Amount spent on project or programs	Amount spent Direct or through implementing agency	
1.	HMGGS Ishwarlal School	Education	Haryana, Bhiwani	2.80	2.80	Direct	
2.	Prime Minister Relief Fund	Socio-Economic Development	Central Govt.	1.00	1.00	Direct	
3.	Old Age Home	Socio-Economic Development	Andhra Pradesh, Renigunta	30.00	14.34	Direct	50% of Cost of Project under construction

6. The company took CSR activities in line with its policy and objectives and has even expended amount 70% more than the budget parked for the CSR initiatives.

7. Pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014, we hereby confirm that the CSR Committee has implemented and monitored the CSR initiatives in line with CSR Objectives and Policy of the Company.

SANJAY GUPTA
MANAGING DIRECTOR
 DIN: [00527801](#)
 02.09.2019
 NEW DELHI

BISHWANATH SHUKLA
CHAIRMAN
 DIN: [02257584](#)

**(ANNEXURE-F)****Form DIR-2**

Consent to act as a director of a company

[Pursuant to section 152(5) and rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014]

To,
AVG LOGISTICS LIMITED
OFFICENO. 25, D.D.A MARKET,
SAVITA VIHAR, DELHI 110092

Subject: Consent to act as a director.

I, **Susheel Kumar Tyagi** hereby give my consent to act as Independent Director of **AVG LOGISTICS LIMITED**, pursuant to sub-section (5) of section 152 of the Companies Act, 2013 and certify that I am not disqualified to become a director under the Companies Act, 2013.

1.	Director Identification Number (DIN)	06906354
2.	Name (in full)	Susheel Kumar Tyagi
3.	Holder's Name (in full)	Sh. Devendra Kumar Tyagi
4.	Address	103-104, Ballad, Kesar Harmony, Sec -6 Khargar, Navi Mumbai-410210
5.	E-mail id	Sktyagi310@icloud.com
6.	Mobile No.	9717222369
7.	Income-tax PAN	ACKPT6414F
8.	Occupation	Service
9.	Date of birth	16.07.1952
10.	Nationality	Indian

11. No. of companies in which I am already a Director is **2** and out of such companies the names of the companies in which I am a Managing Director, Chief Executive Officer, Whole time Director, Secretary, Chief Financial Officer, Manager: **Worlds Window Wardha Infrastructure Pvt. Ltd. and Swastik Terminals Pvt. Ltd.**

12. Particulars of membership No. and Certificate of practice No. if the applicant is a member of any professional Institute: **NA**

DECLARATION

I declare that I have not been convicted of any offence in connection with the promotion, formation or management of any company or LLP and have not been found guilty of any fraud or misfeasance or of any breach of duty to any company under this Act or any previous company law in the last five years.

I further declare that if appointed my total Directorship in all the companies shall not exceed the prescribed number of companies in which a person can be appointed as a Director.

Date: 30.08.2019
Place: DELHI

NAME: SUSHEEL KUMAR TYAGI
DIN : 06906354

**(ANNEXURE-G)****Form DIR-2**

Consent to act as a director of a company

[Pursuant to section 152(5) and rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014]

To
AVG LOGISTICS LIMITED
OFFICENO. 25, D.D.A MARKET,
SAVITA VIHAR, DELHI 110092

Subject: Consent to act as a director.

I, **Shyam Sunder Soni** hereby give my consent to act as Non Executive Director of **AVG LOGISTICS LIMITED**, pursuant to sub-section (5) of section 152 of the Companies Act, 2013 and certify that I am not disqualified to become a director under the Companies Act, 2013.

1.	Director Identification Number (DIN)	00396429
2.	Name (in full)	Shyam Sunder Soni
3.	Father's Name (in full)	Sh. Hari Bhagat Soni
4.	Address	D-17, Sec-41, Noida, UP-201303
5.	E-mail id	soni@subhamcontainer.com
6.	Mobile No.	9811074171
7.	Income-tax PAN	APZPS3455H
8.	Occupation	Business
9.	Date of birth	20/11/1962
10.	Nationality	Indian

11. No. of companies in which I am already a Director is **One** and out of such companies the names of the companies in which I am a Managing Director, Chief Executive Officer, Whole time Director, Secretary, Chief Financial Officer, Manager: **D.S. BUILDCON (INDIA) PRIVATE LIMITED**

12. Particulars of membership No. and Certificate of practice No. if the applicant is a member of any professional Institute: NA

DECLARATION

I declare that I have not been convicted of any offence in connection with the promotion, formation or management of any company or LLP and have not been found guilty of any fraud or misfeasance or of any breach of duty to any company under this Act or any previous company law in the last five years.

I further declare that if appointed my total Directorship in all the companies shall not exceed the prescribed number of companies in which a person can be appointed as a Director.

Date: 30.08.2019**Place:****Delhi****NAME: SHYAM SUNDER SONI****DIN: 00396429**



Annexure - H

FORM NO. AOC.1

Statement containing salient features of the financial statement of
Subsidiaries/associate companies/joint ventures
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of
Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs)

1. Sl. No.
2. Name of the subsidiary
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period.
4. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.
5. Share capital
6. Reserves & surplus
7. Total assets
8. Total Liabilities
9. Investments
10. Turnover
11. Profit before taxation
12. Provision for taxation
13. Profit after taxation
14. Proposed Dividend
15. % of shareholding

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations
2. Names of subsidiaries which have been liquidated or sold during the year.



Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures	NDRAVG BUSINESS PARK PRIVATE LIMITED
1. Latest Audited Balance Sheet Date	31 ST March, 2019
2. Shares of Associate/Joint Ventures held by the company on the year end	
Number	9,845,697
Amount of Investment in Associate/Joint Venture	98,456,970
Extent of Holding%	35%
3. Description of how there is significant influence	Shareholding exceeding 20%
4. Reason why the associate/joint venture is not consolidated	Not Applicable
5. Networth attributable to Shareholding as per latest audited Balance Sheet.	92,161,178
6. Loss for the year	
i. Considered in Consolidation	6,295,792
ii. Not Considered in Consolidation	11,692,186

- Names of associates or joint ventures which are yet to commence operations.
- Names of associates or joint ventures which have been liquidated or sold during the year.

For and on behalf of Board of Directors of AVG Logistics Limited

Parul Jain
Company Secretary

Arun Kumar Goel
CFO

SANJAY GUPTA
Managing Director
DIN: 00527801

Asha Gupta
Director
DIN: 02864795



INDEPENDENT AUDITOR'S REPORT

To the Members of AVG Logistics Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the standalone financial statements of AVG Logistics Limited ("the Company"), which comprise the balance sheet as at March 31, 2019, and the statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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 March 31, 2019, and profit and its cash flows for the year ended on that date.

Basis for Qualified Opinion

- a) Freight income includes INR 1,944.70 Lakhs representing revenue booked under the category of 'from transporters' disclosed under the account head 'Freight Income' in the Standalone Financial Statements for which necessary documents pertaining to contract, terms of business, proof of delivery and subsequent receipts are not available with the Company. In the absence of such documents, we are unable to comment on such income and recoverability of corresponding balances. Also refer Note 40 to the Standalone Financial Statements.
- b) The Company has outstanding 'Lorry Trip Advance' amounting to INR 1,749.56 Lakhs as on March 31, 2019 disclosed under the head 'Short-term loans and advances'. In the absence of trip wise settlement statement, lorry challan for cash advance given, trip sheet for settlement of such advance, we are unable to comment on the accuracy and recoverability of such advances and its impact, if any, on expenses for the year. Also

refer Note 41 to the Standalone Financial Statements.

- c) The Company has not prepared computation of income tax as per the requirements of Income Tax Act, 1961 for the financial year ended March 31, 2019. In the absence of such computation, we are unable to comment on the appropriateness and accuracy of income tax expense for the year. Consequentially, we are unable to comment on the deferred tax asset/ liability. Also refer Note 42 to the Standalone Financial Statements.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Basis for Qualified Opinion* section we have determined the matters described below to be the key audit matters to be communicated in our report.

Description of Key Audit Matter

Unsecured loans to parties

The Company has given loans to certain entities as unsecured loans. The advancing of such loans is subject to compliance with the requirements to Section 185, 186 and 188 of the Act. The recoverability of such loans is critical to forming an opinion about true and fair view. Management has represented that all the requirements of the Act have been complied with and has assessed all these loans for recoverability.

We have determined this matter to be key audit



matter due to the significance of the amounts and judgement involved in recoverability of loan balances.

Description of Auditor's response

Our audit procedures in respect of this are included:

1. Obtained the schedule of movement of such loans from previous year to current year and tallied the closing balance with standalone financial statements.
2. Verified the Compliance with the provisions of Section 185, 186 and 188 of the Act.
3. Verified the new loans disbursed during the year and repayments received during the year on test check basis.
4. Performed confirmation procedures for these parties.
5. Assessed the basis of management's judgement regarding their recoverability
6. Assessed the appropriateness of presentation/disclosure in the standalone financial statements.

Long outstanding trade receivables

The Company has trade receivables outstanding for more than one year. Though, the Company is actively pursuing the collection of these balances, form allowance onwards for doubtful debts has been considered by the Management based on the facts and circumstances of each case. We have determined this matter to be key audit matter due to the significance of the amounts and judgement involve

Description of Auditor's response

Our audit procedures in respect of this are included:

1. Obtained the listing and ageing of the trade receivables and traced their balances to standalone financial statements.
2. Performed the balance confirmation procedures and alternate procedures where we did not receive response to our balance confirmation requests.
3. Assessed the basis of management's judgement regarding allowance made against long outstanding balances.
4. Assessed the appropriateness of presentation/ disclosure in the standalone financial statements.

Emphasis of Matter

We draw attention to the following matters in the Notes to the standalone financial statements:

- a) Note 38 to the financial statements regarding amount spent during the year on Corporate Social Responsibility (CSR) activities of INR 14.34 Lakhs. The Company is in the process of seeking necessary approvals from appropriate authority to operate the old age home. In view of the Management, the necessary approvals would be obtained since they are procedural in nature.
- b) Note 36(a) to the Financial Statements wherein it is stated that the Company has not reassessed the components of basic salary for the purposes of deduction of Provident Fund in view of the Supreme Court Judgment dated February 28, 2019, as the Company believes that there is no impact on such assessment on the books of account as on March 31, 2019.

Our opinion is not qualified with respect to these matters

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Management Report, Chairman Statement, Directors' Report etc, but does not include the standalone financial statements our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. Due to the matters described in the Basis for Qualified Opinion section above, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.



Responsibilities of Management and Those Charged with Governance for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone

Financial Statements.

Other Matter

- a. The standalone financial statements of the Company for the year ended March 31, 2018, were audited by another auditor whose report dated May 31, 2018 expressed an unmodified opinion on those statements.

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 of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
 - a. Except for the matters described in the Basis of Qualified Opinion paragraph above, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. Except for the effects of the matter described in Basis for Qualified Opinion section above, 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. Except for the effects of the matter described in Basis for Qualified Opinion section above, 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. The matter described in Basis of Qualified Opinion paragraph above and material weakness reported in Annexure C to this report, in our opinion, may have an adverse effect on the functioning of the Company.
 - f. On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is



disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

- g. The qualification/ emphasis of matter relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion/ Emphasis of Matter paragraph above
- h. With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
- i. 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 disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 34 to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company
3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

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

Amit Mitra
Partner
Membership No.: 094518

Place: New Delhi
Date: June 11, 2019

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF AVG LOGISTICS LIMITED

Auditor's Responsibilities for the Audit of the Financial Statements

As part of an audit in accordance with Standards on Auditing ('SAs'), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting



policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulations precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Amit Mitra
Partner
Membership No. : 094518

Place: New Delhi
Date: June 11, 2019

ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF AVG LOGISTICS LIMITED FOR THE YEAR ENDED MARCH 31, 2019

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

- i.
 - (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets (Property, Plant and Equipment).
 - (b) All the fixed assets (Property, Plant and Equipment) have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- C. According to the 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 has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on verification between the physical stock and the book records.
- iii. The Company has granted unsecured loan to NDRAVG Business Park Private Limited covered in the register maintained under section 189 of the Act:
 - (a) According to the information and explanations given to us and based on the audit procedures



conducted by us, we are of the opinion that the terms and conditions of loans granted by the Company to the party covered in the register maintained under section 189 of the Act, (total loan amount granted INR 59.81 Lakhs and balance outstanding as at balance sheet date INR 59.81 Lakhs) are prejudicial to the Company's interest on account of the fact that the loans have been granted at Nil rate of Interest which is significantly lower than the cost of funds to the Company and also lower than the prevailing yield of government securities close to the tenor of the loan.

(b) In case of the loans granted to the Company listed in the register maintained under section 189 of the Act, schedule of repayment of principal and payment of interest have not been stipulated in respect of NDRAVG AVG Business Park Private Limited. In the absence of stipulation of repayment terms are unable to comment on the

regularity of repayment of principal and payment of interest.

C. According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the absence of stipulation of repayment terms we are unable to comment on the amount overdue for more than ninety days.

iv. In our opinion and according to the information and explanations given to us, the Company has not complied with the provisions of section 185 and 186 of the Act, in respect of loans made and the details are as follows:

Reporting under section 185

(Amount in INR Lakhs)

Name of the Party	Relationship	Nature of non-compliance	Maximum amount outstanding during the year	Amount as at March 31, 2019
S V J Developers Private	Significant influence	Granting of unsecured loans	493.00	452.00
NDRAVG Business Park Private Limited	Enterprises over which the key management personnel have the significant influence	Granting of unsecured loans	59.81	59.81

Reporting under section 186

(Amount in INR Lakhs)

Sr. No.	Particulars	Name of Company/ Party	Maximum amount outstanding during the year	Amount as at March 31, 2019	Remarks, if any
1.	Loan given at rate of interest lower than prescribed	a. United Mining Corporation	140.00	60.00	Proprietor Firm
2.	Loan given at rate of interest lower than prescribed	b. Redberry Exim	43.80	14.90	Partnership Firm
3.	Loan given at rate of interest lower than prescribed	c. NDRAVG Business Park Private Limited	59.81	59.81	



- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.
- vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.
- vii. (a) According to the information and explanations

given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund and employees' state insurance and there are serious delays in depositing labour welfare fund, professional tax, income tax, goods and service tax. Also refer point (b) under 'Emphasis of Matter' paragraph in our Auditor's report regarding Provident Fund.

- (b) Statutory dues which were outstanding, as at March 31, 2019 for a period of more than six months from the date become payable as are follows:

(Amount in INR Lakhs)

Name of the statute	Nature of the dues	Amount Rs.	Period to which the amount relates	Due Date	Date of Payment
The Integrated Goods & Service Tax Act, 2017	Output tax	142.97	August 2018	September 20, 2018	April 2, 2018 to April 18, 2019
The Central Goods & Services Tax Act, 2017	Output tax	0.62	August 2018	September 20, 2018	April 4, 2019
The Delhi Goods & Services Tax Act, 2017	Output tax	0.62	August 2018	September 20, 2018	April 4, 2019
Income Tax Act, 1961	Income Tax	205.35	Financial Year 2017-18	March 31, 2018	March 31, 2019, May 30, 2019 & June 5, 2019

(c) According to the information and explanation given to us and the records of the Company examined by us, there are no dues of income tax, goods and service tax, customs duty and cess which have not been deposited on account of any dispute.

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the financial institution, bank or debenture holders except for the cases mentioned in Appendix I.
- ix. In our opinion, according to the information explanation provided to us, money raised by way of initial public offer and term loans during the year have been applied for the purpose for which they were raised.

x. During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees.

xi. According to the 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 provisions of section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information



and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) of the Order are not applicable to the Company.

- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the 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 debentures during the year. Accordingly, the provisions stated in paragraph 3 (xiv) of the Order are not applicable to the Company.
- xv. According to the 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, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.
- xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi) of the Order are not applicable to the Company.

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

Amit Mitra
Partner
Membership No.: 094518

Place: New Delhi
Date: June 11, 2019

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF AVG LOGISTICS LIMITED

[Referred to in paragraph 2(h) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's 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 with reference to financial statements of AVG Logistics Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone 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 with reference to financial statements 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) (the "Guidance Note"). These responsibilities 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance



Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to Financial Statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements 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 that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (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 with reference to financial statements

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

Material Weakness

According to Information and explanation given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2019:

- a) In case of freight income from transporters, the Company does not have an appropriate internal control system defining a process for customer acceptance, credit evaluation, establishing customer credit limits, determination of prices and other terms of the business, controls in place to ensure proof of delivery of services to collection process and reconciliation of receipts with invoices. Such control weakness could potentially result in the Company recognising revenue without establishing reasonable certainty of ultimate collection.
- b) In case of 'Lorry Trip Advance', the Company does not have a process in place to reconcile the advance paid with expense settlement. In the



absence of such reconciliation, recognition of expenses in the appropriate period may not be accurate.

- c) The Company did not have a robust policy for cash payments and cash receipts. In the absence of adequate cash management system (Treasury Process) in place, there is a possibility of making unauthorized payments and adjustments having impact on the functioning of the Company.
- d) The Company does not have adequate process for financial statement closure on timely basis which may lead to issues involving cut off and journal entries not being duly authorized timely.
- e) The Company does not have controls to monitor statutory dues including income tax expense, timely payment of statutory dues etc. Consequently, there is a potential risk that tax expense may not be accurate and there may be liabilities for delays in payment of various statutory dues.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the effects/ possible effects of the material weakness/es described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as of March 31, 2019, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

We have considered the material weakness/es identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2019 standalone financial statements of the Company, and these material weaknesses affect our opinion on the standalone

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

Amit Mitra
Partner
Membership No.: 094518

Place: New Delhi
Date: June 11, 2019



AVG Logistics Limited
Standalone Balance Sheet as at March 31, 2019
 (All amounts in INR Lakhs, unless otherwise stated)

Particulars	Note No	As at March 31, 2019	As at March 31, 2018
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	1,029.80	720.80
Reserves and surplus	3	5,896.31	2,239.12
		6,926.11	2,959.92
Non-current liabilities			
Long-term borrowings	4	2,899.43	1,636.51
Deferred tax liabilities (Net)	5	-	105.34
Other long term liabilities	6	322.55	152.22
Long term provisions	7	46.78	39.94
		3,268.76	1,934.01
Current liabilities			
Short-term borrowings	8	3,093.47	2,969.51
Trade Payables	9		
(i) total outstanding dues of micro enterprises and small enterprises; and		0.32	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		963.29	797.47
Other current liabilities	10	3,246.88	1,346.45
Short-term provisions	11	42.89	28.77
		7,346.85	5,142.20
		17,541.72	10,036.13
ASSETS			
Non-current assets			
Property, plant and equipment			
Tangible assets	12	3,740.93	2,160.84
Intangible assets	12	6.13	0.11
Capital work-in-progress		785.42	432.13
Non-current investments	13	986.07	155.00
Deferred tax assets (Net)	5	20.82	-
Long term loans and advances	14	1,048.41	996.39
Other non current assets	15	156.16	218.60
		6,743.94	3,963.07
Current assets			
Inventories	16	8.18	16.55
Trade receivables	17	7,046.73	4,695.07
Cash and bank balances	18	235.74	150.18
Short-term loans and advances	19	2,950.01	1,138.42
Other current assets	20	557.12	72.84
		10,797.78	6,073.06
		17,541.72	10,036.13

Summary of significant accounting policies

The accompanying notes are an integral part of these standalone financial statements.

1(b)

As per our report of even date

For **MSKA & Associates**
 Chartered Accountants
 Firm Registration Number: 105047W

Amit Mitra
 Partner
 Membership Number: 094518

Place: New Delhi
 Date: June 11, 2019

For and on behalf of the Board of Directors of
AVG Logistics Limited
 CIN:L60200DL2010PLC198327

Parul Jain
 Company Secretary

Arun Kumar Goel
 CFO

Sanjay Gupta
 Managing Director
 DIN : 00527801

Asha Gupta
 Director
 DIN : 02864795

Place: New Delhi
 Date: June 11, 2019



AVG Logistics Limited

Standalone Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Note No	Year ended March 31, 2019	Year ended March 31, 2018
Income			
Revenue from operations	21	31,349.21	22,659.36
Other income	22	221.02	43.74
		31,570.23	22,703.10
Expenses			
Purchases of traded goods / consumables	23	3,654.61	2,309.77
Change in inventory	24	8.37	(9.32)
Operating expenses	25	21,740.10	15,685.97
Employee benefits expense	26	1,232.01	1,111.40
Finance costs	27	837.41	678.06
Depreciation and amortization expense	12	755.77	569.99
Other expenses	28	1,920.72	1,154.66
		30,148.99	21,500.53
Profit before tax and prior period adjustments		1,421.24	1,202.57
Prior period expenses (Net)	30	81.10	-
Profit before tax		1,340.14	1,202.57
Tax expense:			
Current tax			
- For current year profits		463.39	489.04
- Adjustments for earlier years		(8.76)	-
- Deferred tax		(126.16)	(41.12)
Profit for the year		1,011.67	754.65
Earnings per equity share (nominal Value per Share INR 10 (Previous year INR 10))			
Basic	32	9.97	10.47
Diluted	32	9.97	10.47

Summary of significant accounting policies

1(b)

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date

For **MSKA & Associates**

Chartered Accountants

Firm Registration Number: 105047W

For and on behalf of the Board of Directors of

AVG Logistics Limited

CIN:L60200DL2010PLC198327

Amit Mitra

Partner

Membership Number: 094518

Parul Jain

Company Secretary

Arun Kumar Goel

CFO

Place: New Delhi

Date: June 11, 2019

Sanjay Gupta

Managing Director

DIN : 00527801

Asha Gupta

Director

DIN : 02864795

Place: New Delhi

Date: June 11, 2019



AVG Logistics Limited

Standalone Cash Flow Statement for the year ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
A. Cash flow from operating activities			
Profit before tax		1,340.14	1,202.57
Adjustments for:			
Depreciation and amortisation		755.77	569.99
Profit on sale of property, plant and equipment (net)		(7.67)	(6.67)
Finance costs		837.41	678.06
Interest income		(104.11)	(19.27)
Operating profit before working capital changes		2,821.54	2,424.68
Adjustments for changes in working capital :			
Increase / (Decrease) in trade payables		166.14	(26.36)
Increase in provisions		32.63	68.71
Increase in other liabilities		1,220.15	286.33
(Increase) in trade receivables		(2,351.66)	(501.86)
(Increase) in loans and advances		(1,498.18)	(666.56)
Decrease / (Increase) in inventories		8.36	(9.33)
(Increase) in other current assets		(404.66)	(72.84)
Cash (used) / generated from operations		(5.68)	1,502.77
Taxes paid (Net of refund)		(578.80)	(293.24)
Net cash (used) in / generated from operating activities		(584.48)	1,209.53
B. Cash flows from investing activities:			
Purchase and construction of Property, Plant & Equipment and intangible assets including movement in Capital Work-in Progress and Capital Advances		(2,920.15)	(803.43)
Purchase of non-current investments		(831.07)	(155.00)
Proceeds from / (Investment) in deposits		62.43	(84.13)
Proceeds from sale of Property, Plant and Equipment		18.73	26.04
Loans given to related parties		(59.81)	-
Loans repaid by related parties		41.00	-
Loans given to other parties		(336.36)	(27.50)
Loans repaid by others parties		181.90	10.60
Interest received		24.49	19.27
Net cash used in investing activities		(3,818.84)	(1,014.15)
C. Cash flows from financing activities:			
Proceeds from issuance of equity share capital including securities premium		3,306.30	-
Share issue expenses		(351.78)	-
Proceeds from long-term borrowings		3,147.26	318.75
Repayment of long-term borrowings		(1,047.75)	-
Proceeds from short-term borrowings (net)		123.96	244.31
Interest paid		(689.11)	(678.06)
Net cash generated from / (used) in financing activities		4,488.88	(115.00)


AVG Logistics Limited
Standalone Cash Flow Statement for the year ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

Net increase in cash and cash equivalents (A+B+C)	85.56	80.38
Cash and cash equivalents at beginning of year	150.18	69.80
Cash and cash equivalents at end of the year	<u>235.74</u>	<u>150.18</u>

Components of cash and cash equivalents (Refer note 18):

Balance with Banks		
- Current accounts	112.73	72.69
Cash on hand	123.01	77.49
	<u>235.74</u>	<u>150.18</u>

Summary of significant accounting policies

1(b)

Footnotes :

1. The above Standalone Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard-3 "Cash Flow Statements", notified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014, as amended.
2. The accompanying notes are an integral part of these standalone financial statements.
3. Figures in bracket represent cash outflows.

As per our report of even date
 For **MSKA & Associates**
 Chartered Accountants
 Firm Registration Number: 105047W

For and on behalf of the Board of Directors of
AVG Logistics Limited
 CIN:L60200DL2010PLC198327

Amit Mitra
 Partner
 Membership Number: 094518

Parul Jain
 Company Secretary

Arun Kumar Goel
 CFO

Place: New Delhi
 Date: June 11, 2019

Sanjay Gupta
 Managing Director
 DIN : 00527801

Asha Gupta
 Director
 DIN : 02864795

Place: New Delhi
 Date: June 11, 2019



Notes to the Standalone Financial Statements for the year ended March 31, 2019

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

1(a) Corporate Information/Background

AVG Logistics Limited ('the company') (formerly known as AVG Logistics Private Limited) was incorporated on January 25, 2010 under the Companies Act, 1956. The main objects of the company are transportation of goods, warehousing and other incidental activities there to. The registered office of the company is situated in the state of New Delhi. The Company's equity shares got listed on April 11, 2018 on NSE-SME platform. The financial statements for the year ended March 31, 2019 were approved by the Board of Directors on June 11, 2018.

1(b) Summary of significant accounting policies

i. Basis of Preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on an accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended), specified under section 133 and other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle, and other criteria set out in the Schedule III (Division I) to the Companies Act, 2013. Based on the nature of goods/ services and the time between the sale of goods/ rendering of services and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

ii. Use of estimates

The preparation of financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the end of the

reporting period. Although, these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

iii. Property, Plant and Equipment

Tangible assets

Tangible assets, capital work in progress are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price, borrowing costs, if capitalization criteria are met and any cost attributable to bringing the assets to its working condition for its intended use which includes taxes, freight, and installation and allocated incidental expenditure during construction/ acquisition and exclusive of Input tax credit (IGST/CGST and SGST) or other tax credit available to the Company.

When parts of an item of tangible assets have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent expenditure relating to tangible assets is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Intangible assets

An intangible asset is recognized when it is probable that the future economic benefits attributable to the asset will flow to the enterprise and where its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortization and impairment losses, if any. Cost comprises the purchase price and any cost attributable to bringing the assets to its working condition for its intended use which includes taxes, freight, and installation and allocated incidental expenditure during construction/ acquisition and exclusive of Input tax credit



Notes to the Standalone Financial Statements for the year ended March 31, 2019

(IGST/CGST and SGST) or other tax credit available to the Company.

Subsequent expenditure relating to intangible assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

iv. Depreciation on property, plant and equipment

Based on management's evaluation, useful life prescribed in Schedule II of the Companies Act, 2013 represent actual useful life of property, plant and equipment. The Company uses straight line method and depreciation is provided on pro-rata basis on the carrying amount of property, plant and equipment. The carrying amount is calculated after reducing 5% of the value of property, plant and equipment as residual value. The company has used following useful lives to provide depreciation of different class of its property, plant and equipment.

Particulars	Year ended March 31, 2019 (Useful life In years)	Year ended March 31, 2018 (Useful life in years)
Computer	3	3
Furniture and fixtures	10	10
Office equipment	5	5
Vehicle	8	8
Trucks	6	6

The Company has adopted Schedule II to the Companies Act, 2013 which requires identification and determination of separate useful life for each major component of the property, plant and equipment, if they have useful life that is materially different from that of the remaining asset. (Component Accounting)

Depreciation on addition to tangible assets is provided on pro-rata basis from the date the assets are ready for intended use. Depreciation on sale/ discard from tangible assets is provided for upto the date of sale, deduction or discard of tangible assets as the case may be.

v. Amortization of Intangible assets

Amortization of intangible assets has been calculated on straight line basis at the following rates, based on management estimates, which in the opinion of the

management are reflective of the estimated useful lives of the Intangible assets.

Particulars	Useful life (In years)
Computer Software	
- ERP	3
- Other than ERP	3

Amortization on addition to intangible assets is provided on pro-rata basis from the date the assets are ready for intended use. Amortization on sale/ discard from intangible assets is provided for upto the date of sale, deduction or discard of intangible assets as the case may be

vi. Impairment of Assets

In accordance with Accounting Standard (AS) 28 on 'Impairment of Assets', the carrying amount of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated. The recoverable amount of the assets (or where applicable that of the cash generating unit to which the asset belongs) is estimated at the higher of its net selling price and its value in use. An impairment loss is recognized whenever the carrying amount of the asset or cash-generating unit exceeds its recoverable amount.

Impairment losses, including impairment on inventories, are recognized in the statement of profit and loss.

After Impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

vii. Borrowing Costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable



Notes to the Standalone Financial Statements for the year ended March 31, 2019

to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use are capitalized. All other borrowing costs are recognised as expenditure in the period in which they are incurred.

viii. **Investments** **Accounting treatment**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

Classification in the financial statements

Investments that are realisable within the period of twelve months from the balance

sheet date are classified as current investment. All other investments are classified as non-current investments.

ix. **Revenue recognition**

Revenue is recognised to the extent, that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue from sale of goods

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods are transferred to the buyer and are recorded net of trade discounts, rebates, Sales Tax, Value Added Tax and Goods and Service Tax.

Revenue from services

Revenue from services is recognised pro-rata over the period of contract (in case of 'Warehousing Income') and as and when the services are rendered (in case of 'Freight Income') and collectability is reasonably assured. Rendering of services is completed when the consignments/ shipments are delivered to its destination. Delivery is evidenced by 'Proof of Delivery' ('POD') received from the destination. The revenue is recognised net of Goods and service tax.

Interest Income

Interest Income is recognised on a time proportion basis taking into account the amount outstanding and applicable interest rate.

Dividend Income

Dividend is recognised when the Company's right to receive dividend is established.

x. **Retirement and other employee benefits**

Defined contribution plan



Notes to the Standalone Financial Statements for the year ended March 31, 2019

The Company makes defined contribution to Government Employee Provident Fund, Government Employee Pension Fund, Employee Deposit Linked Insurance, ESI and Superannuation Schemes, which are recognised in the Standalone Statement of Profit and Loss on accrual basis.

The Company has no further obligations under these plans beyond its monthly contributions

Defined Benefit Plan- Gratuity

The Company provides for retirement benefits in the form of Gratuity. Benefits payable to eligible employees of the company with respect to gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation as at the Balance Sheet date. In accordance with the Payment of Gratuity Act, 1972, the plan provides for lump sum payments to vested employees on retirement, death while in service or on termination of employment an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of five years of service. The present value of such obligation is determined by the projected unit credit method and adjusted for past service cost and fair value of plan assets as at the balance sheet date through which the obligations are to be settled. The resultant actuarial gain or loss on change in present value of the defined benefit obligation is recognised as an income or expense in the Standalone Statement of Profit and Loss.

xi. Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less.

xii. Inventories

Stock of Spare Parts, Tyres and Oil is valued at cost. Cost comprises purchase prices,

expenses incurred to bring inventory to its present location and related taxes net of tax credit, if any, available. Cost is determined using the first-in-first-out method.

xiii. Income taxes

Tax expense for the period comprises of current tax, deferred tax and Minimum alternate tax credit

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

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts, and there is an intention to settle the asset and the liability on a net basis.

The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the reporting date.

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each balance sheet date and are written-down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

At each reporting date, the Company



Notes to the Standalone Financial Statements for the year ended March 31, 2019

reassesses the unrecognized deferred tax assets, if any.

Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

xiv. Leases

As a Lessee:

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Standalone Statement of Profit and Loss on a straight-line basis over the lease term.

As a Lessor:

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease income on an operating lease is recognized in the Standalone Statement of Profit and Loss on a straight-line basis over the lease term. Costs are recognized as an expense in the Standalone Statement of Profit and Loss. Initial direct costs such as legal costs,

brokerage costs, etc. are recognized immediately in the Standalone Statement of Profit and Loss.

xv. Contingent Liability, Provisions and Contingent Asset

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation.

The Company records a provision for decommissioning, restoration and similar liabilities that are recognized as cost of property, plant and equipment. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the statement of profit and loss as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

Contingent assets are neither recorded nor disclosed in the financial statements.

xvi. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

The weighted average numbers of equity shares are adjusted for events such as bonus issue, bonus element in the rights issue, share split and reverse share split

**Notes to the Standalone Financial Statements for the year ended March 31, 2019**

(consolidation of shares) that have changed the number of equity shares outstanding, without corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

xvii. Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, are shown as unallocable items.

xviii. Corporate Social Responsibility

As the Company is discharging its CSR obligation through making contribution to the CSR activities as specified in Schedule VII to the Act, it is treated as an expense and hence charged to the Standalone Statement of Profit and Loss.

xix. Material Events

Material events occurring after the balance sheet date are taken into cognizance.



Notes to the Standalone Financial Statements for the year ended March 31, 2019

AVG Logistics Limited

Notes to the Standalone Financial Statements for the year ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

2 Share capital

The Company has only one class of Share Capital having a par value of INR 10 per share, referred to herein as equity share.

	As at March 31, 2019		As at March 31, 2018	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of INR 10 each (previous year equity shares of INR 10 each)	12,000,000	1,200.00	12,000,000	1,200.00
Issued, subscribed and fully paid up				
Equity Shares of INR 10 each, fully paid up (previous year equity shares of INR 10 each)	10,298,000	1,029.80	7,208,000	720.80
	10,298,000	1,029.80	7,208,000	720.80

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year

	As at March 31, 2019		As at March 31, 2018	
	Number	Amount	Number	Amount
Outstanding at the beginning of the year	7,208,000	720.80	4,240,000	424.00
Add: Bonus Shares issued during the year	-	-	2,968,000	296.80
Add: Shares issued during the year	3,090,000	309.00	-	-
Outstanding at the end of the year	10,298,000	1,029.80	7,208,000	720.80

(b) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at March 31, 2019		As at March 31, 2018	
	Number	Percentage	Number	Percentage
Sanjay Gupta	1,232,500	12%	1,232,500	17%
Asha Gupta	5,482,500	53%	5,482,500	76%
Niti Gupta	-	-	489,000	7%
Sixth Sense India Opportunities II	1,672,800	16%	-	-

The above information is furnished as per the shareholder register as on March 31, 2019

(c) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

	As at March 31, 2019	As at March 31, 2018
Equity shares allotted as fully paid bonus shares by capitalization of free reserves	-	2,968,000
Equity shares allotted as fully paid-up pursuant to contracts for consideration other than cash	-	-
Equity shares bought back by the company	-	-

(d) Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares having par value of INR 10 per share. Each shareholder is entitled to one vote per share held. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in ensuing Annual General Meeting, except in case where interim dividend is distributed. However the Company has not distributed any dividend during the current year and previous year.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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Notes to the Standalone Financial Statements for the year ended March 31, 2019

AVG Logistics Limited

Notes to the Standalone Financial Statements for the year ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

		As at March 31, 2019	As at March 31, 2018
3	Reserves and surplus		
	Securities premium		
	Opening balance	14.00	14.00
	Add: Premium on issue on account of Initial Public Offer (IPO)	2,997.30	-
	Less: Share issue cost	(351.78)	-
	Closing balance	2,659.52	14.00
	Surplus in Statement of Profit and Loss		
	Opening balance	2,225.12	1,767.26
	Add: Profit for the year	1,011.67	754.66
	Less: Bonus shares issued	-	(296.80)
	Closing balance	3,236.79	2,225.12
		5,896.31	2,239.12
4	Long-term borrowings		
	Secured		
	Term loans from banks		
	Term loans from banks	2,504.68	1,095.99
	Less : Disclosed as "Other current liabilities" (Refer note 10)- Refer footnote	(457.30)	(218.52)
	Term loans from Non banking financial institutions		
	Term loans from Non banking financial institutions	1,662.13	971.31
	Less : Disclosed as "Other current liabilities" (Refer note 10)- Refer footnote	(810.08)	(212.27)
		2,899.43	1,636.51

**Terms of loans
footnote**

Sl No	Nature of Lender	Terms of Repayment and Rate of Interest (ROI) % (Per Annum)	Charges created	Details of securities against borrowings	As at March 31, 2019	As at March 31, 2018
Term Loan from the bank						
1	Punjab National Bank	Repayable in 28 quarterly installments starting from April 1, 2020 with ROI 10.55%	115.00	Land and Buildings, machinery, electronic items, office furniture, fittings and furnishing with office equipments like computers, printers and vehicles etc. to be purchased from term loan and from own sources	444.10	56.44
Vehicle Loan						
2	IndusInd Bank Limited	Repayable in monthly installments ranging from 36 to 60 months with ROI ranging from 9.95% to 12.03%.	Not available	Hypothecation of vehicle (Truck)	317.19	141.74
3	HDB financial Services Limited	Repayable in monthly installments ranging from 36 to 60 months with ROI ranging from 10.47% to 12.00%.	Not available	Hypothecation of vehicle (Truck)	158.85	94.89
4	Hinduja Leyland Finance Limited	Repayable in monthly installments ranging from 36 to 60 months with ROI ranging from 10.01% to 14.3%.	Not available	Hypothecation of vehicle (Truck)	747.81	334.54
5	ICICI Bank Limited	Repayable in monthly installments ranging from 36 to 60 months with ROI ranging from 9.4% to 11.75%.	Not available	Hypothecation of vehicle (Truck)	455.95	662.99
6	India Infoline Finance Limited	Repayable in monthly installments ranging from 36 to 60 months with ROI ranging from 12% to 13%.	168.00	Hypothecation of vehicle (Truck)	180.10	195.25
7	Kotak Mahindra Bank Limited	Repayable in monthly installments ranging from 36 to 60 months with ROI ranging from 9.35% to 12.63%.	Not available	Hypothecation of vehicle (Truck)	394.99	186.74
		Repayable in 36 monthly installments with ROI 9.99%.	Not available	Hypothecation of vehicle (Car)	0.22	1.44
8	Mahindra and Mahindra Finance	Repayable in 47 monthly installments with ROI 11.51%.	Not available	Hypothecation of vehicle (Truck)	200.00	-


Notes to the Standalone Financial Statements for the year ended March 31, 2019

Sl No	Nature of Lender	Terms of Repayment and Rate of Interest (ROI) % (Per Annum)	Charges created	Details of securities against borrowings	As at March 31, 2019	As at March 31, 2018
9	Sundaram Finance Limited	Repayable in 47 monthly instalments with ROI ranging from 9.96% and 12.04%.	377.00	Hypothecation of vehicle (Truck)	275.38	-
10	Tata Capital Financial Services Limited	Repayable in monthly instalments ranging from 36 to 47 months with ROI ranging from 12.7% and 12.8%.	Not available	Hypothecation of vehicle (Truck)	14.67	30.76
11	Reliance Commercial Finance Limited	Repayable in monthly instalments ranging from 36 to 47 months with ROI 8%.	Not available	Hypothecation of vehicle (Truck)	-	18.99
12	Tata Motors Finance Limited	Repayable in monthly instalments ranging from 36 to 47 months with ROI ranging from 8.8% and 11.24%.	388.00	Hypothecation of vehicle (Truck)	305.39	296.88
13	Volkswagen Finance Private Limited	Repayable in monthly instalments ranging from 36 to 47 months with ROI 10%.	570.00	Hypothecation of vehicle (Truck)	542.37	-
		Repayable in 60 monthly instalments with ROI 10.25%.		Hypothecation of vehicle (Car)	7.16	13.74
14	Punjab National Bank	Repayable in 60 monthly instalments with ROI ranging from 9.75% and 10%.	12.00	Hypothecation of vehicle (Car)	7.27	15.08
15	Union Bank of India	Repayable in 48 monthly instalments with ROI 10.7%.	40.00	Hypothecation of vehicle (Car)	10.47	17.82
16	Yes Bank Limited	Repayable in monthly instalments ranging from 48 to 60 months with ROI ranging from 9.14% and 9.99%.	Not available	Hypothecation of vehicle (Car)	27.91	-
17	Equitas Small Finance Bank	Repayable in 46 monthly instalments with ROI 11%.	Not available	Hypothecation of vehicle (Truck)	76.98	-
Total					4,166.81	2,067.30

5 Deferred tax assets/ (liabilities), net

Major components of deferred tax arising on account of timing differences along with their movement as at March 31, 2019 are:

	As at March 31, 2019	Charge/ (benefit) for the year	As at March 31, 2018
Deferred tax assets			
Provision for retirement benefits	18.08	0.58	18.66
Provision for doubtful debts	65.30	(65.30)	-
Provision for Bonus	8.03	(8.03)	-
Provision for labour welfare fund	0.09	(0.09)	-
Deferred lease liability	44.35	(35.25)	9.10
Pre-operative expenses	76.45	(76.45)	-
Total (A)	212.30	(184.54)	27.76
Deferred tax liability			
On account of difference in depreciation as per the Income Tax Act, 1961 and depreciation and amortisation as per standalone financial statements	(191.48)	58.38	(133.10)
Total (B)	(191.48)	58.38	(133.10)
Net deferred tax assets/ (liabilities) (A - B)	20.82	(126.16)	(105.34)

6 Other long term liabilities

	As at March 31, 2019	As at March 31, 2018
Security deposits	170.24	125.94
Deferred lease liability	152.31	26.28
	322.55	152.22



Notes to the Standalone Financial Statements for the year ended March 31, 2019

	As at March 31, 2019	As at March 31, 2018
7 Long term provisions		
Provision for gratuity (Refer note 36)	46.78	39.94
	46.78	39.94
8 Short-term borrowings		
Loan repayable on demand		
- From Banks (Refer footnote)	3,093.47	2,969.51
	3,093.47	2,969.51

**Terms of loans
footnote**

Sl No	Nature of Lender	Terms of Repayment and Rate of Interest (ROI) % (Per Annum)	Charges created	Details of securities against borrowings	As at March 31, 2019	As at March 31, 2018
Cash credit from banks						
1	Union Bank of India	Repayable on demand with ROI 12.35%	Not available	Hypothecation of Book Debts and stocks	46.29	95.91
2	Punjab National Bank	Repayable on demand with ROI 10.5%	275.00	First Parri passu charge on Book debts arising out of genuine trade transactions including advances to suppliers and other current assets shared with other consortium lender for fund based working capital (FBWC)	3,047.18	2,873.60
Total					3,093.47	2,969.51

	As at March 31, 2019	As at March 31, 2018
9 Trade Payables		
Total outstanding dues of micro enterprises and small enterprises and,	0.32	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	963.29	797.47
	963.61	797.47

Disclosure as required by Micro, Small and Medium Enterprises Development Act, 2006 in respect of payments due to any supplier as at March 31, 2019 are as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
<u>(a) Amount remaining unpaid to any supplier at the end of each accounting year:</u>		
- Principal amount		
- Trade Payable	0.32	-
- The interest due thereon		
- Trade Payable	-	-
<u>(b) the amounts paid by the buyer during the year:</u>		
- interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006:		
- Principal repaid to suppliers beyond the appointed day during each accounting year	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-



Notes to the Standalone Financial Statements for the year ended March 31, 2019

10 Other current liabilities

Current maturities of long term debts (Refer note 4)	
Payable in respect of purchase of Property, plant and equipment	
Goods and Service Tax payable	
Other statutory dues payable	
Interest accrued but not due on borrowings	
Other payables (Refer note)	
Employees benefits payable	
Interest payable on taxes	

	As at March 31, 2019	As at March 31, 2018
	1,267.38	430.79
	158.61	292.89
	1,461.58	269.23
	47.04	181.90
	41.49	-
	8.49	-
	155.49	171.64
	106.80	-
	3,246.88	1,346.45

Note - Includes payable to enterprises over which the key management personnel exercise the significant influence

NDR AVG Logistics LLP

7.25

-

11 Short-term provisions

Provision for employee benefits:	
- Provision for bonus	
- Provision for compensated absences	
- Provision for gratuity (Refer note 36)	
Other provisions	
- Provision for Income tax	
(Net of tax deducted at source receivable INR Nil (Previous year INR 459.30 lakhs)	

	As at March 31, 2019	As at March 31, 2018
	27.58	3.12
	3.68	-
	11.63	13.99
	-	11.66
	42.89	28.77

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Notes to the Standalone Financial Statements for the year ended March 31, 2019

AVG Logistics Limited
Notes to the Standalone Financial Statements for the year ended March 31, 2019
(All amounts in INR Lakhs, unless otherwise stated)

12. Property, plant and equipment

Particulars	Gross Block			Accumulated depreciation			Net block		
	As at April 1, 2018	Additions during the year	Disposals	As at March 31, 2019	As at April 1, 2018	For the year	Disposals	As at March 31, 2019	At at March 31, 2018
a) Tangible assets									
Owned assets:									
Freehold Land	158.05	12.38	-	170.43	-	-	-	170.43	158.05
Car & Bikes	261.80	41.76	16.69	286.87	118.23	30.39	12.95	151.20	143.57
Trucks	3,798.88	2,241.53	39.36	6,001.05	2,084.48	687.63	32.04	3,260.98	1,714.40
Furniture & Fixtures	54.56	10.48	-	65.04	16.17	5.24	-	43.63	38.39
Office Equipments	143.77	14.05	-	157.82	73.01	22.61	-	62.20	70.76
Computers	61.18	8.34	-	69.52	43.57	7.63	-	18.32	17.61
Leased assets:									
Lease hold Lands	18.68	17.20	-	35.88	0.62	1.09	-	34.17	18.06
Total	4,496.92	2,345.74	56.05	6,786.61	2,336.08	754.59	44.99	3,045.68	2,160.84
b) Intangible assets									
Owned assets:									
Computer Software	2.22	7.20	-	9.42	2.11	1.18	-	6.13	0.11
Total	2.22	7.20	-	9.42	2.11	1.18	-	6.13	0.11

Property, plant and equipment as at March 31, 2018

Particulars	Gross Block			Accumulated depreciation			Net block		
	As at April 1, 2017	Additions during the year	Disposals	As at March 31, 2018	As at April 1, 2017	For the year	Disposals	As at March 31, 2018	At at March 31, 2017
a) Tangible assets									
Owned assets:									
Freehold Land	-	158.05	-	158.05	-	-	-	158.05	-
Car & Bikes	262.44	2.54	3.18	261.80	89.76	30.58	2.11	118.23	172.68
Trucks	3,402.22	438.92	42.26	3,798.88	1,597.09	511.36	23.97	2,084.48	1,805.13
Furniture & Fixtures	35.89	18.67	-	54.56	12.30	3.87	-	16.17	23.59
Office Equipments	104.05	40.20	0.48	143.77	56.40	17.07	0.46	73.01	47.65
Computers	49.72	11.46	-	61.18	39.19	4.38	-	43.57	10.53
Leased assets:									
Lease hold Lands	18.68	-	-	18.68	-	0.62	-	0.62	18.68
Total	3,873.00	669.84	45.92	4,496.92	1,794.74	567.88	26.54	2,336.08	2,078.26
b) Intangible assets									
Owned assets:									
Computer Software	-	2.22	-	2.22	-	2.11	-	2.11	0.11
Total	-	2.22	-	2.22	-	2.11	-	2.11	0.11


Notes to the Standalone Financial Statements for the year ended March 31, 2019

AVG Logistics Limited

Notes to the Standalone Financial Statements for the year ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

13 Non-current investments	As at March 31, 2019	As at March 31, 2018
Other investments (valued at cost unless otherwise stated)		
Unquoted Investment		
Equity instrument (Refer Footnote i) 98,45,697 Equity Shares of INR 10 each fully paid-up in NDRAVG Business Park Private Limited	984.57	-
Investment in capital of Limited Liability Partnership		
NDR AVG Logistics LLP (Refer Footnote ii)	1.50	155.00
	986.07	155.00
Aggregate amount of unquoted non-current investment	986.07	155.00
Aggregate provision made for diminution in value of investment	-	-
Footnote:		
(i) The Company holds 35% (Previous year Nil) of total shares capital of NDRAVG Business Park Private Limited, a Joint Venture Company.		
(ii) Investment in limited liability partnership firm		
	As at March 31, 2019	As at March 31, 2018
Investment in NDR AVG Logistics LLP	Share in profits (%)	
<u>Name of the partners</u>		
N D R Ware Housing Pvt Ltd	60.00%	60.00%
AVG Logistics Ltd	30.00%	30.00%
N.Amrutesh Reddy	6.00%	6.00%
Sanjay Gupta	4.00%	4.00%
Total capital of firm	5.00	5.00
	1,048.41	996.39
14 Long term loans and advances	As at March 31, 2019	As at March 31, 2018
Unsecured, Considered Good (unless otherwise stated)		
Capital advances	113.19	33.56
Security deposits	269.56	191.03
Loans and advances to related parties (Refer note)	452.00	493.00
Other loans and advances	105.53	278.80
Advance tax and tax deducted at source (Net of provisions INR 658.84 lakhs (Previous Year Nil))	108.13	-
	1,048.41	996.39
Note - Represents Loan and advances receivable from enterprise over which the key management personnel exercise significant influence		
S V J Developers Private Limited (Refer note 31)	452.00	493.00
15 Other non current assets	As at March 31, 2019	As at March 31, 2018
Long term deposits with bank with maturity period more than 12 months *	156.16	218.60
	156.16	218.60
* Pledged with bank against bank guarantees given to government authorities.		
16 Inventories	As at March 31, 2019	As at March 31, 2018
Consumables & Spare Parts (Valued at cost)	8.18	16.55
	8.18	16.55



Notes to the Standalone Financial Statements for the year ended March 31, 2019

	As at March 31, 2019	As at March 31, 2018
17 Trade receivables		
Unsecured, considered good		
Outstanding for a period exceeding six months from the date they are due for payment	614.32	157.77
Others	6,432.41	4,537.30
(a)	7,046.73	4,695.07
Unsecured, considered doubtful		
Outstanding for a period exceeding six months from the date they are due for payment		
Others	224.25	
Less: Provision for doubtful debts	(224.25)	-
(b)	-	-
(a) + (b)	7,046.73	4,695.07
Debts due by private companies in which any director is a director;		
PCG Logistics Private Limited (Refer note 31)	21.94	-
18 Cash and bank balances		
Cash and cash equivalents		
Balance with Banks		
- Current accounts	112.73	72.69
Cash on hand	123.01	77.49
	235.74	150.18
19 Short-term loans and advances		
Unsecured, Considered Good (unless otherwise stated)		
Prepaid expenses	53.97	38.07
Advance to suppliers	490.36	123.08
Advance to employees	105.52	91.01
Balance with government authorities	7.80	12.42
Lorry trip advance (Refer note 41)	1,749.56	741.51
Other loans and advances	327.74	-
Loans and advances to related parties (Refer Note)	59.81	-
Security deposits	155.25	132.33
TOTAL	2,950.01	1,138.42
Note - Includes Loan and advances receivable from enterprises over which the key management personnel exercise significant influence		
NDRAVG Business Park Private Limited (Refer note 31)	59.81	-
20 Other current assets		
Unsecured, Considered Good (unless otherwise stated)		
Unbilled revenue	447.69	-
Deferred share issue expenses	-	44.04
Other receivables (Refer note)	109.43	28.80
TOTAL	557.12	72.84
Note - Includes interest receivable from enterprises over which the key management personnel exercise significant influence		
S V J Developers Private Limited (Refer note 31)	53.23	-


Notes to the Standalone Financial Statements for the year ended March 31, 2019

AVG Logistics Limited

Notes to the Standalone Financial Statements for the year ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

	Year ended March 31, 2019	Year ended March 31, 2018
21 Revenue from operations		
Sale of products		
Traded goods	3,569.34	2,184.64
Sale of Services		
Freight income		
From others	22,065.32	16,708.88
From transporters (Refer note 40)	4,144.44	2,284.51
Warehousing income	1,443.15	1,468.37
Other Operating Revenue		
Sub-Lease income	126.96	12.96
	31,349.21	22,659.36
22 Other income		
Interest Income	100.50	19.27
Miscellaneous income	2.30	17.80
Liabilities written back to the extent no longer required	110.55	-
Profit on sale of property, plant and equipment (net)	7.67	6.67
	221.02	43.74
23 Purchases of traded goods / consumables		
Purchase of traded goods	3,514.83	2,148.45
Purchase of consumables	139.78	161.32
	3,654.61	2,309.77
24 Change in inventory		
Opening stock	16.55	7.22
Less: Closing stock	(8.18)	(16.55)
	8.37	(9.32)
25 Operating expenses		
Warehousing expenses	1,078.41	1,298.38
Transportation expenses	20,661.69	14,387.59
	21,740.10	15,685.97
26 Employee benefits expense		
Salaries, wages and bonus	1,009.86	897.73
Contribution to provident and other funds (Refer Note 36a)	55.45	42.94
Staff welfare expenses	29.66	19.68
Directors remuneration (other than perquisites)	132.00	132.00
Gratuity (Refer Note 36b)	5.04	19.05
	1,232.01	1,111.40



Notes to the Standalone Financial Statements for the year ended March 31, 2019

27 Finance costs	Year ended March 31, 2019	Year ended March 31, 2018
Interest on cash credit	275.02	311.29
Interest on vehicle loans	295.01	166.54
Interest on delayed payment of Goods and Service Tax	96.98	-
Interest on delayed payment of direct taxes	52.84	91.09
Other borrowing costs	117.56	109.14
	837.41	678.06
28 Other expenses	Year ended March 31, 2019	Year ended March 31, 2018
Business promotion	126.57	60.24
Bank charges	40.20	50.95
Repair & maintenance expenses	357.93	297.71
Travelling expenses	158.54	84.94
Electricity & water charges	29.89	33.28
Office expenses	148.55	95.07
Postage & courier expenses	20.75	14.00
Printing & stationery expenses	19.78	18.71
Rent expenses (Refer note 33)	356.04	251.76
Director sitting fees	2.20	1.20
Rates and taxes	9.01	14.12
Legal & professional charges (Refer note 29)	76.11	63.40
Commission expenses	12.52	21.56
Donation	9.01	9.08
Festival expenses	15.10	15.27
Provision for doubtful debts	224.25	-
Expenditure towards Corporate social responsibility activities (Refer note 38)	18.14	-
Advances written off	169.11	-
Miscellaneous expenses	127.02	123.37
	1,920.72	1,154.66

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AVG Logistics Limited
Notes to the Standalone Financial Statements for the year ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

29 Payment to auditors (excluding taxes)
In capacity as auditor

Limited review

Audit fee

Reimbursement of expenses

	Year ended March 31, 2019	Year ended March 31, 2018
	5.00	-
	12.00	3.00
	0.63	-
	17.63	3.00

30 Prior Period Expense/ (Income)

Legal & Professional charges

Miscellaneous expenses

Interest Income

Freight Income

Miscellaneous income

Interest on vehicle loans

Interest on delayed payment of direct taxes

Travelling Expenses

Insurance Expenses

Office Expenses

Warehousing Expenses

Repair & Maintenance

Business Promotion

Salaries, wages and bonus

Rent Expenses

Warehousing Income

Credit note issued against revenue

	Year ended March 31, 2019	Year ended March 31, 2018
	7.94	-
	66.69	-
	(3.61)	-
	(244.85)	-
	(3.57)	-
	15.67	-
	17.28	-
	0.72	-
	7.92	-
	1.12	-
	3.87	-
	0.99	-
	4.15	-
	12.08	-
	79.56	-
	(27.86)	-
	143.00	-
	81.10	-

31 In accordance with the Accounting Standard (AS-18) on "Related Party Disclosures", the disclosures are as follows:
A. Name of related parties and nature of relationship

Related parties with whom transactions have taken place during the year

Relationship
Name of related parties
(i) Joint venture

 NDRAVG Business Park Private Limited
(Incorporated on 01.10.2018)

(ii) Enterprises over which the key management personnel exercise significant influence

Directors are partner of the firm

MA Enterprises

Common Directors

PCG Logistics Private Limited

Director is partner of the Limited liability partnership

NDR AVG Logistics LLP

Director has significant influence

S V J Developers Private Limited

(iii) Key management personnel (KMP)

Managing Director

Sanjay Gupta

Women Director

Asha Gupta

Chief Financial Officer

Arun Kumar Goel

Company Secretary

Parul Jain

Non-Executive Director

Shyam Sunder Soni

Independent Director

Suresh Kumar Jain

Independent Director

Biswanath Shukla

Independent Director

Susheel Kumar Tyagi (w.e.f. 13-Nov-2018)

(iv) Relative of Key management Person (KMP)

Son of Sanjay Gupta and Asha Gupta

Vinayak Gupta



Notes to the Standalone Financial Statements for the year ended March 31, 2019

B. Transaction with related parties

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<u>Transportation expenses</u>		
Enterprises over which the key management personnel exercise significant influence:		
PCG Logistics Private Limited	-	28.87
MA Enterprises	6.69	-
<u>Payment towards Slump purchase of business</u>		
Key management personnel (KMP):		
Asha Gupta	-	83.28
<u>Miscellaneous income</u>		
Enterprises over which the key management personnel exercise significant influence:		
MA Enterprises	0.60	0.71
<u>Investment in Limited Liability Partnership</u>		
Enterprises over which the key management personnel exercise significant influence:		
NDR AVG Logistics LLP	-	155.00
<u>Transfer of investment from NDR AVG Logistics LLP to NDRAVG Business Park Private Limited</u>		
Joint venture		
NDRAVG Business Park Private Limited	153.50	-
<u>Investment in Joint Venture</u>		
Joint venture		
NDRAVG Business Park Private Limited	831.07	-
<u>Short-term loans and advances given</u>		
Joint venture		
NDRAVG Business Park Private Limited	59.81	-
<u>Payment received of loan and advances</u>		
Enterprises over which the key management personnel exercise significant influence:		
S V J Developers Private Limited	41.00	-
<u>Interest Income</u>		
Enterprises over which the key management personnel exercise significant influence:		
S V J Developers Private Limited	53.23	-
<u>Freight Income</u>		
Enterprises over which the key management personnel exercise significant influence:		
PCG Logistics Private Limited	70.05	-
<u>Directors' remuneration</u>		
Key management personnel (KMP):		
Sanjay Gupta	72.00	72.00
Asha Gupta	60.00	60.00
<u>Salaries and wages</u>		
Key management personnel and its relatives:		
Vinayak Gupta	48.00	19.16
Arun Kumar Goel	38.25	5.38
Parul Jain	2.64	0.47
<u>Director sitting fees</u>		
Key management personnel (KMP):		
Shyam Sunder Soni	0.80	0.40
Suresh Kumar Jain	0.40	0.40
Biswanath Shukla	0.80	0.40
Susheel Kumar Tyagi	0.20	-


Notes to the Standalone Financial Statements for the year ended March 31, 2019
C. Balance outstanding as at year end:

Particulars	As at 31 March 2019	As at 31 March 2018
<u>Balances payable:</u>		
Enterprises over which the key management personnel exercise significant influence:		
NDR AVG Logistics LLP	7.25	-
<u>To Key management personnel (KMP) and its relatives:</u>		
Sanjay Gupta	-	4.05
Asha Gupta	-	7.05
Vinayak Gupta	5.60	-
Arun Kumar Goel	3.82	3.05
Parul Jain	2.19	-
Shyam Sunder Soni	0.36	0.36
Suresh Kumar Jain	-	0.36
Biswanath Shukla	0.36	0.36
Susheel Kumar Tyagi	0.18	-

Balance receivables
From Enterprises over which the key management personnel have the significant influence:

NDR AVG Logistics LLP - Investment	1.50	155.00
NDR AVG Business Park Private Limited - Investment	831.07	-
NDR AVG Business Park Private Limited - Loan receivable	59.81	-
MA Enterprises - Other receivable	-	0.71
PCG Logistics Private Limited - Trade receivable	21.94	20.37
S V J Developers Private Limited - Loan receivable	452.00	493.00
S V J Developers Private Limited - Interest receivable	53.23	-

Earnings per share

	Year ended March 31, 2019	Year ended March 31, 2018
Profit after tax attributable to equity shareholders - A	1,011.67	754.65
Weighted average number of equity shares outstanding during the year - B	10,145,198	7,208,000
Basic/ Diluted Earnings per share - (A/B)	9.97	10.47
Nominal value per share (INR)	10	10

The Company does not have any outstanding dilutive potential equity shares. Consequently, the basic and dilutive EPS of the Company remains the same.

Leases

a) The Company has taken certain premises for office use of its employees and for sub lease purposes under operating lease for a period between 11 month to 15 years which includes both cancellable and non-cancellable leases . The total expense incurred under the operating lease agreements recognized as an expense in the Statement of Profit and Loss during the year is INR 356.04 lakhs (previous year INR 251.76 lakhs). Expected future minimum commitments for non cancellable period of leases together with any further periods for which the lessee has the option to continue the lease of the asset, with or without further payment, which option at the inception of the lease it is reasonably certain that the lessee will exercise are as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
Payable within one year	109.06	109.01
Payable between one and five years	543.93	511.29
Payable later than five years	1,560.53	1,702.23
Total	2,213.52	2,322.53

b) The Company has received sub-lease payments recognised in the Statement of Profit and Loss during the year are INR 126.96 lakhs (previous year INR 12.96 lakhs). The total of future minimum sublease payments expected to be received under non- cancellable subleases at the balance sheet date are as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
Receivable within one year	137.77	42.32
Receivable between one and five years	653.88	200.89
Receivable later than five years	1,522.79	849.27
Total	2,314.44	1,092.48



Notes to the Standalone Financial Statements for the year ended March 31, 2019

34 Contingent liabilities (to the extent not provided for)

	As at 31 March 2019	As at 31 March 2018
Claims against the Company not acknowledged as debt (Refer footnote i)	43.87	7.50
	43.87	7.50

Footnote i:

Authority before which it is pending	Nature of tax	As at 31 March 2019	As at 31 March 2018
Liability against pending civil cases (Refer Footnote i)	Civil Case	43.87	7.50
		43.87	7.50

(i) Includes cases related to workman compensation and accidental compensation pending before the Labour Court filed by ex-employees of the Company. The quantum of liability cannot be ascertained and will be decided by the Labour Law Court in due course of time.

35 Capital and other commitments

Particulars	As at 31 March 2019	As at 31 March 2018
Estimated amount of contracts remaining to be executed on capital account Net of advances of INR 53.64 lakhs and Capital work in progress of INR 656.91 lakhs (Capital advances previous Year INR 29.55 lakhs)	859.47	277.39
Total capital commitments	859.47	277.39

36 The Company has in accordance with the Accounting Standard-15 (Revised) 'Employee Benefits' has calculated the various benefits provided to employees as under:

a. Defined contribution plans

During the year the Company has recognized the following amounts in the Statement of Profit and Loss:-

Particulars	As at 31 March 2019	As at 31 March 2018
Employers contribution to provident fund (Refer note below)	36.39	30.49
Employers contribution to employee state insurance	19.06	12.45
Total	55.45	42.94

Note: Based on the Supreme Court Judgement dated February 28, 2019, the Company was required to reassess the components to be included in the basic salary for the purposes of deduction of PF. However, the Company believes that there will be no impact and hence has not provided for any additional liability as on March 31, 2019 in the books of account.

b. Defined benefit plan

The present value obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligations. The summarized position of defined benefit plan is as under:

A. Actuarial assumptions

Particulars	As at 31 March 2019	As at 31 March 2018
Discount rate (per annum)	7.30%	7.44%
Expected rate of increase in compensation levels (per annum)	6.65%	5.00%
Retirement age (years)	60.00	60.00
Mortality table	IALM (2006-08)	IALM (2006-08)
Withdrawal rate	18.00%	20.00%

The discount rate has been assumed at 7.30% p.a. (previous year 7.44% p.a.) which is determined by reference to market yield at the Balance Sheet date on government securities. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.


Notes to the Standalone Financial Statements for the year ended March 31, 2019
B. Changes in the present value of the defined benefit obligation are as follows:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening present value of obligation	53.92	-
Interest cost	4.01	-
Past service cost	-	42.14
Current service cost	14.35	11.79
Benefits paid	(0.55)	-
Actuarial loss/ (gain) on obligation	(13.32)	-
Closing present value of obligation	58.41	53.93

C. Expense recognised in the Statement of Profit and Loss

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current service cost	14.35	11.79
Interest cost	4.01	-
Past service cost	-	42.14
Net actuarial loss/(gain) to be recognized	(13.32)	-
Expense recognised in the Statement of Profit and Loss (Refer note below)	5.04	53.93

Note

Expense recognised in employee benefit expenses (Refer note 26)	5.04	19.05
Expense recognised in miscellaneous expenses (Refer note 28)	-	34.88

D. Reconciliation of present value of defined benefit obligation and fair value of assets

Particulars	As at 31 March 2019	As at 31 March 2018
Present value of defined benefit obligation	58.41	53.93
Fair value of plan assets	-	-
Net funded status	(58.41)	(53.93)

Recognised under:

Short term provision (Refer note 11)	11.63	13.99
Long term provision (Refer note 7)	46.78	39.94

E. Net assets/ liability and actuarial experience gain/ (loss) for present benefit obligation ('PBO') and plan assets on gratuity

Particulars	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015
PBO	58.41	53.93	-	-	-
Plan assets	-	-	-	-	-
Net assets/(liability)	(58.41)	(53.93)	-	-	-
Experience gain/(loss) on PBO	13.32	-	-	-	-
Experience gain/(loss) on plan assets	-	-	-	-	-

I. Employer's best estimate for contribution during next year

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Gratuity	19.57	16.39

37 Segment reporting
Primary segment

The Company operates mainly in Transportation, warehousing business and trading of High Seas goods. Hence, it has only one reportable segment and separate disclosure are not required as per Accounting Standard 17, 'Segment Reporting'.

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A. Segment Revenue		
Warehousing income	1,443.15	1,468.37
Freight income	26,209.76	18,993.39
Sale of traded goods	3,569.34	2,184.64
Others	126.96	12.96
Total Revenue from operations	31,349.21	22,659.36



Notes to the Standalone Financial Statements for the year ended March 31, 2019

B. Segment Results

Expenses

Warehousing expenses	1,078.41	1,300.47
Freight expenses	20,661.69	14,539.58
Purchase of traded goods	3,514.83	2,148.45
Total	6,094.28	4,670.86

Less:

i) Finance Costs	837.41	678.06
ii) Other unallocable expenditure net off unallocated income	3,835.63	2,790.22
Profit before tax	1,421.24	1,202.58

C. Segment Assets

Warehousing debtors	240.46	283.43
Transportation debtors	6,678.80	4,336.20
Traded goods debtors	67.58	60.00
Others	59.89	15.44
Total	7,046.73	4,695.07

D. Segment Liabilities

Warehousing payables	117.61	161.06
Transportation payables	835.92	636.41
Unallocated payables	10.08	-
Total	963.61	797.47

38 Corporate social responsibility (CSR)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Gross amount required to be spent	16.20	11.51
Amount spent during the year*	18.14	-

* As per the recommendation of the CSR committee and in compliance with CSR policy, the Company is in the process of constructing an old age homes in the town named Renigunta in Chittoor District Andhra Pradesh. As per 'The Andhra Pradesh Maintenance and Welfare of Parents and Senior Citizens Rules, 2011' ('state regulation') prior registration is required from, appropriate authorities. The amount spent on CSR activities during the year includes an amount of INR 14.33 lakhs which is spent for the above stated purpose. Currently, the Company is in the process for obtaining the requisite approvals from the Registration Authority and setting up the organizational structure to operate the old age home. The Company believes that the requisites approvals are procedural in nature.

39 Expenditure in foreign currency

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Legal & professional charges	0.61	-
	0.61	-

40 The Company, owing to its strategy to expand its operations, undertook consignments of/ from various transport entities to deliver such consignments at desired locations. Such business revenues are exempt from GST. During the current financial year, the Company has earned such income amounting to INR 4,144.44 lakhs (Previous year 2,284.51 lakhs) from such transporters which included INR 1,944.70 Lakhs booked during the months of January, February and March, 2019, invoices for which were raised in March, 2019. The Company is confident of recovering entire amount from such parties in due course of time. Further, the Company is taking steps to strengthen its internal control system to ensure timely and accurate booking of revenue along with requisite supporting's.

41 Since the Company is engaged in transportation business, it is expected to provide advances to its own lorry drivers to meet necessary trip expenses. As such, as on March 31, 2019, the Company has outstanding 'Lorry Trip Advance' amounting to INR 1,749.56 Lakhs disclosed under the head 'Short-term loans and advances'. The Company recognises transportation expense on the basis of information submitted by its drivers after the completion of each trip and adjusts the advance given to them. The Company is in process of reconciling trip wise advance with the settlement sheet to establish one to one linkage of such advances.



Notes to the Standalone Financial Statements for the year ended March 31, 2019

- 42 The Company has computed the income tax expenses, however final computation of taxable income and tax expense thereon would be concluded once tax audit is finalised. Further the Company believes that the provision accrued in books is adequate.
- 43 During the year, the Company completed its Initial Public Offer ('IPO') and allotted 3,090,000 equity shares of INR 10/-each at a premium of INR 97/- per share. The equity shares of the Company have been listed on SME platform of National Stock Exchange of India Limited (NSE) with effect from April 10, 2018. The Company utilized the issue proceeds for setting up warehouses at Agartala and Mysore, for meeting working capital requirements, for general corporate purposes and share issue expenses.
- 44 The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- 45 There were no amounts which were required to be transferred to the Investor and Protection Fund by the Company.
- 46 Previous year figures have been regrouped / reclassified, where necessary, to conform to this year's classification .

As per our report of even date
 For **MSKA & Associates**
 Chartered Accountants
 Firm Registration Number: 105047W

For and on behalf of the Board of Directors of
AVG Logistics Limited
 CIN:L60200DL2010PLC198327

Amit Mitra
 Partner
 Membership Number: 094518

Parul Jain
 Company Secretary

Arun Kumar Goel
 CFO

Place: New Delhi
 Date: June 11, 2019

Sanjay Gupta
 Managing Director
 DIN : 00527801

Asha Gupta
 Director
 DIN : 02864795

Place: New Delhi
 Date: June 11, 2019



INDEPENDENT AUDITOR'S REPORT

To the Members of AVG Logistics Limited

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying consolidated financial statements of AVG Logistics Limited (the "Company") and its associates company and an enterprise (associate company and enterprise collectively known as 'group entities'), which comprise the consolidated Balance Sheet as at March 31, 2019, and the consolidated statement of Profit and Loss and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the other financial information of group entities, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 their consolidated state of affairs of the Company and the group entities as at March 31, 2019, consolidated profit and its consolidated cash flows for the year then ended.

Basis for Qualified Opinion

- a. Freight income includes INR 1,944.70 Lakhs representing revenue booked under the category of 'from transporters' disclosed under the account head 'Freight Income' in the Consolidated Financial Statements for which necessary documents pertaining to contract, terms of business, proof of delivery and subsequent receipts are not available with the Company. In the absence of such documents, we are unable to comment on such income and recoverability of corresponding balances. Also, refer Note 40 to the Consolidated Financial Statements.
- b. The Company has outstanding 'Lorry Trip Advance' amounting to INR 1,749.56 Lakhs as on March 31, 2019 disclosed under the head 'Short-term loans and advances'. In the

absence of trip wise settlement statement, lorry challan for cash advance given, trip sheet for settlement of such advance, we are unable to comment on the accuracy and recoverability of such advances and its impact, if any, on expenses for the year. Also, refer Note 41 to the Consolidated Financial Statements.

- c. The Company has not prepared computation of income tax as per the requirements of Income Tax Act, 1961 for the financial year ended March 31, 2019. In the absence of such computation, we are unable to comment on the appropriateness and accuracy of income tax expense for the year. Consequentially, we are unable to comment on the deferred tax asset/ liability. Also, refer Note 42 to the Consolidated Financial Statements.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its group entities in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by Institute of Chartered Accountants of India ("ICAI") and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Basis for Qualified Opinion* section we have determined the matters described below to be the key audit matters to be communicated in our report.



Description of Key Audit Matter

Unsecured loans to parties

The Company has given loans to certain entities as unsecured loans. The advancing of such loans is subject to compliance with the requirements to Section 185, 186 and 188 of the Act. The recoverability of such loans is critical to forming an opinion about true and fair view. Management has represented that all the requirements of the Act have been complied with and has assessed all these loans for recoverability.

We have determined this matter to be key audit matter due to the significance of the amounts and judgement involved in recoverability of loan balances.

Description of Auditor's response

Our audit procedures in respect of this are included:

1. Obtained the schedule of movement of such loans from previous year to current year and tallied the closing balance with standalone financial statements.
2. Verified the Compliance with the provisions of Section 185, 186 and 188 of the Act.
3. Verified the new loans disbursed during the year and repayments received during the year on test check basis.
4. Performed confirmation procedures for these parties.
5. Assessed the basis of management's judgement regarding their recoverability
6. Assessed the appropriateness of presentation/ disclosure in the Consolidated financial statements.

Long outstanding trade receivables

The Company has trade receivables outstanding for more than one year. Though, the Company is actively pursuing the collection of these balances, allowance for doubtful debts has been considered by the Management based on the facts and circumstances of each case.

We have determined this matter to be key audit matter due to the significance of the amounts and judgement involved.

Description of Auditor's response

Our audit procedures in respect of this are included:

1. Obtained the listing and ageing of the trade receivables and traced their balances to

standalone financial statements.

2. Performed the balance confirmation procedures and alternate procedures where we did not receive response to our balance confirmation requests.
3. Assessed the basis of management's judgement regarding allowance made against long outstanding balances.
4. Assessed the appropriateness of presentation/ disclosure in the consolidated financial statements.

Emphasis of Matter

We draw attention to the following matters in the Notes to the consolidated financial statements:

- a) Note 38 to the Consolidated Financial Statements regarding Corporate Social Responsibility (CSR) activities of INR 14.34 Lakhs. The Company is in the process of seeking necessary approvals from appropriate authorities to operate the old age home. In view of the Management, the necessary approvals would be obtained since they are procedural in nature.
- b) Note 36(a) to the Consolidated Financial Statements wherein it is stated that the Company has not reassessed the components of basic salary for the purposes of deduction of Provident Fund in view of the Supreme Court Judgment dated February 28, 2019, as the Company believes that there is no impact on such assessment on the books of account as on March 31, 2019.

Our opinion is not modified in respect of these matters.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Management Report, Chairman Statement, Directors' Report etc, but does not include the Consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements



does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. Due to the matters described in the Basis for Qualified Opinion section above, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company including its group entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors and Partners of group entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the group entities and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal

financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Company and the Management of the group entities are responsible for assessing the ability of the Company and of its group entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors and Partner either intends to liquidate the Company and its group entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors and partners of the Company and its group entities are responsible for overseeing the financial reporting process of the Company and of its group entities.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing ("SAs") will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

Other Matters

The consolidated financial statements include the Company's share of net loss of INR 62.57 Lakhs for the year ended March 31, 2019, as considered in the consolidated financial statements, in respect of group entities, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these group entities, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid group entities, is based solely on the reports of the other auditors. The



corresponding figures for the year ended March 31, 2018, as presented in consolidated financial statements are unaudited.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a. Except for the possible effect of the matters described in the Basis for Qualified Opinion paragraph above, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c. Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. Except for the effects of the matter described in Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid consolidated 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. The matter described in Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company and its group entities.
 - f. On the basis of the written representations received from the directors of the Company as on March 31, 2019 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its group entities, none of the directors of the Company and its group entities is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - g. The qualification/ emphasis of matter relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion/ Emphasis of Matter paragraph above.
 - h. With respect to the adequacy of internal financial controls with reference to financial statements of the Company and its group entities and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
 - i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Company and its group entities— Refer Note 34 to the consolidated financial statements.
 - ii. The Company and its group entities did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There were no amounts which were



required to be transferred to the Investor Education and Protection Fund by the Company and its group entities.

2. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company and its group entities to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

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

Amit Mitra
Partner
Membership No.: 094518

Place: New Delhi
Date: June 11, 2019

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF AVG LOGISTICS LIMITED

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

As part of an audit in accordance with Standards on Auditing ('SAs'), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting

from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its group entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its group entities to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of its group entities to express an opinion on the consolidated financial statements. We are



responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Company included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulations precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Amit Mitra
Partner
Membership No.: 094518
Place: New Delhi
Date: June 11, 2019

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF AVG LOGISTICS LIMITED

[Referred to in paragraph 1(h) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of AVG Logistics Limited on the Financial Statements for the year ended March 31, 2019]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company and its group entities as of and for the year ended March 31, 2019, we have audited the internal financial controls with reference to financial statements of AVG Logistics Limited (hereinafter referred to as "the Company") and its group entities, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Company and the Management of the group entities, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the respective companies 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 responsibilities 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 the respective 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial



statements of the Company and its group entities, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls with reference to financial statements of the Company and its group entities.

Meaning of Internal Financial Controls With reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A

company's internal financial control with reference to financial statements 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 that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (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 With reference to Financial Statements

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

Material Weakness

According to Information and explanation given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2019:

- a) In case of freight income from transporters, the Company does not have an appropriate internal control system defining a process for customer acceptance, credit evaluation, establishing customer credit limits, determination of prices and other terms of the business, controls in place to ensure proof of delivery of services to trade receivables, collection process and reconciliation of receipts



with invoices. Such control weakness could potentially result in the Company recognising revenue without establishing reasonable certainty of ultimate collection.

- b) In case of 'Lorry Trip Advance', the Company does not have a process in place to reconcile the advance paid with expense settlement. In the absence of such reconciliation, recognition of expenses in the appropriate period may not be accurate.
- c) The Company does not have a robust policy for cash payments and cash receipts. In the absence of adequate cash management system (Treasury Process) in place, there is a possibility of making unauthorized payments and adjustments having impact on the functioning of the Company
- d) The Company does not have adequate process for financial statement closure on timely basis which may lead to issues involving cut off and journal entries not being duly authorized timely.
- e) The Company does not have controls to monitor statutory dues including income tax expense, timely payment of statutory dues etc. Consequently, there is a potential risk that tax expense may not be accurate and there may be liabilities for delays in payment of various statutory dues.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, and to the best of our information and according to the explanations given to us, except for the effects/ possible effects of the material weakness/es described above on the achievement of the objectives of the control criteria, the Company and its group entities have maintained, in all material

respects, internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as of March 31, 2019, based on the internal control with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note.

We have considered the material weakness/es identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2019 consolidated financial statements of the Company, and these material weakness/es do not affect our opinion on the consolidated financial statements of the Company.

Other Matters

Based on the corresponding reports of the auditors of group entities, one of which is a Company incorporated in India and another one is a Limited Liability Partnership formed in India, the reporting under Section 143(3)(i) of the Act is not applicable. Hence, our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements does not include our opinion on adequacy and operating effectiveness of the internal financial controls of the group entities.

For **MSKA & Associates**
Chartered Accountants

ICAI Firm Registration No. 105047W

Amit Mitra

Partner

Place: New Delhi

Date: June 11, 2019



AVG Logistics Limited
 Consolidated Balance Sheet as at March 31, 2019
 (All amounts in INR Lakhs, unless otherwise stated)

Particulars	Note No	As at March 31, 2019	As at March 31, 2018
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	1,029.80	720.80
Reserves and surplus	3	5,833.74	2,239.12
		6,863.54	2,959.92
Non-current liabilities			
Long-term borrowings	4	2,899.43	1,636.51
Deferred tax liabilities (Net)	5	-	105.34
Other long term liabilities	6	322.55	152.22
Long term provisions	7	46.78	39.94
		3,268.76	1,934.01
Current liabilities			
Short-term borrowings	8	3,093.47	2,969.51
Trade Payables	9		
(i) total outstanding dues of micro enterprises and small enterprises; and		0.32	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		963.29	797.47
Other current liabilities	10	3,246.88	1,346.45
Short-term provisions	11	42.89	28.77
		7,346.85	5,142.20
		17,479.15	10,036.13
ASSETS			
Non-current assets			
Property, plant and equipment			
Tangible assets	12	3,740.93	2,160.84
Intangible assets	12	6.13	0.11
Capital work-in-progress		785.42	432.13
Non-current investments	13	923.50	155.00
Deferred tax assets (Net)	5	20.82	-
Long term loans and advances	14	1,048.41	996.39
Other non current assets	15	156.16	218.60
		6,681.37	3,963.07
Current assets			
Inventories	16	8.18	16.55
Trade receivables	17	7,046.73	4,695.07
Cash and bank balances	18	235.74	150.18
Short-term loans and advances	19	2,950.01	1,138.42
Other current assets	20	557.12	72.84
		10,797.78	6,073.06
		17,479.15	10,036.13

Summary of significant accounting policies

The accompanying notes are an integral part of these consolidated financial statements.

1(b)

As per our report of even date

For **MSKA & Associates**
 Chartered Accountants
 Firm Registration Number: 105047W

For and on behalf of the Board of Directors of
AVG Logistics Limited
 CIN:L60200DL2010PLC198327

Amit Mitra
 Partner
 Membership Number: 094518

Parul Jain
 Company Secretary

Arun Kumar Goel
 CFO

Place: New Delhi
 Date: June 11, 2019

Sanjay Gupta
 Managing Director
 DIN : 00527801

Asha Gupta
 Director
 DIN : 02864795

Place: New Delhi
 Date: June 11, 2019



AVG Logistics Limited
Consolidated Statement of Profit and Loss for the year ended March 31, 2019
 (All amounts in INR Lakhs, unless otherwise stated)

Particulars	Note No	Year ended March 31, 2019	Year ended March 31, 2018
Income			
Revenue from operations	21	31,349.21	22,659.36
Other income	22	221.02	43.74
		31,570.23	22,703.10
Expenses			
Purchases of traded goods / consumables	23	3,654.61	2,309.77
Change in inventory	24	8.37	(9.33)
Operating expenses	25	21,740.10	15,685.97
Employee benefits expense	26	1,232.01	1,111.40
Finance costs	27	837.41	678.06
Depreciation and amortization expense	12	755.77	569.99
Other expenses	28	1,920.72	1,154.66
		30,148.99	21,500.52
Profit before tax and prior period adjustments		1,421.24	1,202.58
Prior period expenses (Net)	30	81.10	-
Profit before tax		1,340.14	1,202.58
Tax expense:			
Current tax			
- For current year profits		463.39	489.04
- Adjustments for earlier years		(8.76)	-
- Deferred tax		(126.16)	(41.12)
Profit after tax		1,011.67	754.66
Share of loss from associate		(62.96)	-
Share of profit from associate		0.39	-
Net profit after tax and share of loss from group entities		949.10	754.66
Earnings per equity share (nominal Value per Share INR 10 (Previous year INR 10))			
Basic	32	9.36	10.47
Diluted	32	9.36	10.47

Summary of significant accounting policies 1(b)
 The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date
 For **MSKA & Associates**
 Chartered Accountants
 Firm Registration Number: 105047W

For and on behalf of the Board of Directors of
AVG Logistics Limited
 CIN:L60200DL2010PLC198327

Amit Mitra
 Partner
 Membership Number: 094518

Parul Jain
 Company Secretary

Arun Kumar Goel
 CFO

Place: New Delhi
 Date: June 11, 2019

Sanjay Gupta
 Managing Director
 DIN : 00527801

Asha Gupta
 Director
 DIN : 02864795

Place: New Delhi
 Date: June 11, 2019



AVG Logistics Limited
 Consolidated Cash Flow Statement for the year ended March 31, 2019
 (All amounts in INR Lakhs, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
A. Cash flow from operating activities			
Profit before tax		1,340.14	1,202.58
Share of loss of associate accounted for using the equity method		(62.56)	-
Adjustments for:			
Depreciation and amortisation		755.77	569.99
Profit on sale of property, plant and equipment (net)		(7.67)	(6.67)
Consolidated Share in loss of associates		62.56	-
Finance costs		837.41	678.06
Interest income		(104.11)	(19.27)
Operating profit before working capital changes		2,821.54	2,424.69
Adjustments for changes in working capital :			
Increase / (Decrease) in trade payables		166.14	(26.36)
Increase in provisions		32.63	68.71
Increase in other liabilities		1,220.15	286.33
(Increase) in trade receivables		(2,351.66)	(501.86)
(Increase) in loans and advances		(1,498.18)	(666.56)
Decrease / (Increase) in inventories		8.36	(9.33)
(Increase) in other current assets		(404.66)	(72.84)
Cash (used) / generated from operations		(5.68)	1,502.78
Taxes paid (Net of refund)		(578.80)	(293.25)
Net cash (used) in / generated from operating activities		(584.48)	1,209.53
B. Cash flows from investing activities:			
Purchase and construction of Property, Plant & Equipment and intangible assets including movement in Capital Work-in Progress and Capital Advances		(2,920.15)	(803.43)
Purchase of non-current investments		(831.07)	(155.00)
Proceeds from / (Investment) in deposits		62.43	(84.13)
Proceeds from sale of Property, Plant and Equipment		18.73	26.04
Loans given to related parties		(59.81)	-
Loans repaid by related parties		41.00	-
Loans given to other parties		(336.36)	(27.50)
Loans repaid by others parties		181.90	10.60
Interest received		24.49	19.27
Net cash used in investing activities		(3,818.84)	(1,014.15)
C. Cash flows from financing activities:			
Proceeds from issuance of equity share capital including securities premium		3,306.30	-
Share issue expenses		(351.78)	-
Proceeds from long-term borrowings		3,147.26	318.75
Repayment of long-term borrowings		(1,047.75)	-
Proceeds from short-term borrowings (net)		123.96	244.31
Interest paid		(689.11)	(678.06)
Net cash generated from / (used) in financing activities		4,488.88	(115.00)
Net increase in cash and cash equivalents (A+B+C)		85.56	80.38
Cash and cash equivalents at beginning of year		150.18	69.80
Cash and cash equivalents at end of the year		235.74	150.18
Components of cash and cash equivalents (Refer note 18):			
Balance with Banks			
- Current accounts		112.73	72.69
Cash on hand		123.01	77.49
		235.74	150.18

Summary of significant accounting policies

1(b)



Footnotes :

1. The above Consolidated Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard-3 "Cash Flow Statements", notified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014, as amended.
2. The accompanying notes are an integral part of these consolidated financial statements.
3. Figures in bracket represent cash outflows.

As per our report of even date
For **MSKA & Associates**
Chartered Accountants
Firm Registration Number: 105047W

For and on behalf of the Board of Directors of
AVG Logistics Limited
CIN:L60200DL2010PLC198327

Amit Mitra
Partner
Membership Number: 094518

Parul Jain
Company Secretary

Arun Kumar Goel
CFO

Place: New Delhi
Date: June 11, 2019

Sanjay Gupta
Managing Director
DIN : 00527801

Asha Gupta
Director
DIN : 02864795

Place: New Delhi
Date: June 11, 2019



AVG Logistics Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

1(a) Corporate Information/Background

AVG Logistics Limited ('the company') (formerly known as AVG Logistics Private Limited) was incorporated on January 25, 2010 under the Companies Act, 1956. The main objects of the company are transportation of goods, warehousing and other incidental activities there to. The registered office of the company is situated in the state of New Delhi. The Company's equity shares got listed on April 11, 2018 on NSE -SME platform. The financial statements for the year ended March 31, 2019 were approved by the Board of Directors on June 11, 2019.

Basis of Preparation

These consolidated financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on an accrual basis. These consolidated financial statements have been prepared to comply in all material aspects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended), specified under section 133 and other relevant provisions of the Companies Act, 2013. The consolidated financial statements relate to the Company and its share of profit/loss in its associate company and an enterprise (associate company and enterprise collectively known as 'group entities').

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle, and other criteria set out in the Schedule III (Division I) to the Companies Act, 2013. Based on the nature of goods/ services and the time between the sale of goods/ rendering of services and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

Basis of Consolidation

- (a) Investments in group entities are accounted for using equity method in accordance with Accounting Standard (AS) 23 - "Accounting for Investments in Associates in consolidated financial statements". Accordingly, the share of profit/loss of each of the group entity (the loss being restricted to the cost of investment) has been added to/ deducted from the cost of investments.
- (b) The Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

Following associate company and enterprise has been considered in the preparation Consolidated Financial Statements:

S. No.	Name of the Entity	Country of Incorporation	% Ownership interest	
			As at March 31, 2019	As at March 31, 2018
Associate				
1.	NDRAVG Business Park Private Limited	India	35%	-
Other entity				
1	NDR AVG Logistics LLP	India	30%	30%

1(b) Summary of significant accounting policies

i. Use of estimates

The preparation of the consolidated financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the end of the reporting period. Although, these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates



AVG Logistics Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

ii. **Property, Plant and Equipment**

Tangible assets

Tangible assets, capital work in progress are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price, borrowing costs, if capitalization criteria are met and any cost attributable to bringing the assets to its working condition for its intended use which includes taxes, freight, and installation and allocated incidental expenditure during construction/ acquisition and exclusive of Input tax credit (IGST/CGST and SGST) or other tax credit available to the Company.

When parts of an item of tangible assets have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent expenditure relating to tangible assets is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Intangible assets

An intangible asset is recognized when it is probable that the future economic benefits attributable to the asset will flow to the enterprise and where its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortization and impairment losses, if any. Cost comprises the purchase price and any cost attributable to bringing the assets to its working condition for its intended use which includes taxes, freight, and installation and allocated incidental expenditure during construction/ acquisition and exclusive of Input tax credit (IGST/CGST and SGST) or other tax credit available to the Company.

Subsequent expenditure relating to intangible assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

iii. **Depreciation on property, plant and equipment**

Based on management's evaluation, useful life prescribed in Schedule II of the Companies Act, 2013 represent actual useful life of property, plant and equipment. The Company uses straight line method and depreciation is provided on pro-rata basis on the carrying amount of property, plant and equipment. The carrying amount is calculated after reducing 5% of the value of property, plant and equipment as residual value. The company and the group entities have used following useful lives to provide depreciation of different class of its property, plant and equipment.

Particulars	Year ended March 31, 2019 (Useful life In years)	Year ended March 31, 2018 (Useful life in years)
Computer	3	3
Furniture and fixtures	10	10
Office equipment	5	5
Vehicle	8	8
Trucks	6	6

The Company and the group entities have adopted Schedule II to the Companies Act, 2013 which requires identification and determination of separate useful life for each major component of the property, plant and equipment, if they have useful life that is materially different from that of the remaining asset. (Component Accounting)

Depreciation on addition to tangible assets is provided on pro-rata basis from the date the assets are ready for intended use. Depreciation on sale/discard from tangible assets is provided for upto the date of sale, deduction or discard of tangible assets as the case may be.



AVG Logistics Limited
Notes to the Consolidated Financial Statements for the year ended March 31, 2019

iv. **Amortization of Intangible assets**

Amortization of intangible assets has been calculated on straight line basis at the following rates, based on management estimates, which in the opinion of the management are reflective of the estimated useful lives of the Intangible assets.

Particulars	Useful life (In years)
Computer Software	
- ERP	3
- Other than ERP	3

Amortization on addition to intangible assets is provided on pro-rata basis from the date the assets are ready for intended use. Amortization on sale/discard from intangible assets is provided for upto the date of sale, deduction or discard of intangible assets as the case may be.

v. **Impairment of Assets**

In accordance with Accounting Standard (AS) 28 on 'Impairment of Assets', the carrying amount of the Company's and group entities' assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated. The recoverable amount of the assets (or where applicable that of the cash generating unit to which the asset belongs) is estimated at the higher of its net selling price and its value in use. An impairment loss is recognized whenever the carrying amount of the asset or cash-generating unit exceeds its recoverable amount.

Impairment losses, including impairment on inventories, are recognized in the statement of profit and loss.

After Impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

vi. **Borrowing Costs**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use are capitalized. All other borrowing costs are recognised as expenditure in the period in which they are incurred.

vii. **Investments**

Accounting treatment

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.



AVG Logistics Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

Classification in the financial statements

Investments that are realisable within the period of twelve months from the balance sheet date are classified as current investment. All other investments are classified as non-current investments.

viii. **Revenue recognition**

Revenue is recognised to the extent, that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue from sale of goods

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods are transferred to the buyer and are recorded net of trade discounts, rebates, Sales Tax, Value Added Tax and Goods and Service Tax.

Revenue from services

Revenue from services is recognised pro-rata over the period of contract (in case of 'Warehousing Income') and as and when the services are rendered (in case of 'Freight Income') and collectability is reasonably assured. Rendering of services is completed when the consignments/ shipments are delivered to its destination. Delivery is evidenced by 'Proof of Delivery' ('POD') received from the destination. The revenue is recognised net of Goods and service tax.

Interest Income

Interest Income is recognised on a time proportion basis taking into account the amount outstanding and applicable interest rate.

Dividend Income

Dividend is recognised when the Company's right to receive dividend is established.

Rental Income

Rental income is recognised on accrual basis over the lease term.

ix. **Retirement and other employee benefits**

Defined contribution plan

The Company and the group entities make defined contribution to Government Employee Provident Fund, Government Employee Pension Fund, Employee Deposit Linked Insurance, ESI and Superannuation Schemes, which are recognised in the Consolidated Statement of Profit and Loss on accrual basis.

The Company has no further obligations under these plans beyond its monthly contributions.

Defined Benefit Plan- Gratuity

The Company provides for retirement benefits in the form of Gratuity. Benefits payable to eligible employees of the company with respect to gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation as at the Balance Sheet date. In accordance with the Payment of Gratuity Act, 1972, the plan provides for lump sum payments to vested employees on retirement, death while in service or on termination of employment an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of five years of service. The present value of such obligation is determined by the projected unit credit method and


AVG Logistics Limited
Notes to the Consolidated Financial Statements for the year ended March 31, 2019

adjusted for past service cost and fair value of plan assets as at the balance sheet date through which the obligations are to be settled. The resultant actuarial gain or loss on change in present value of the defined benefit obligation is recognised as an income or expense in the Consolidated Statement of Profit and Loss.

x. Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less.

xi. Inventories

Stock of Spare Parts, Tyres and Oil is valued at cost. Cost comprises purchase prices, expenses incurred to bring inventory to its present location and related taxes net of tax credit, if any, available. Cost is determined using the first-in-first-out method.

xii. Income taxes

Tax expense for the period comprises of current tax, deferred tax and Minimum alternate tax credit

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

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts, and there is an intention to settle the asset and the liability on a net basis.

The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the reporting date.

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each balance sheet date and are written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

At each reporting date, the Company and the group entities reassess the unrecognized deferred tax assets, if any.

Minimum alternate tax (MAT) paid in a year is charged to the Consolidated Statement of Profit and Loss as current tax. The Company and the group entities recognize MAT credit available as an asset only to the extent that there is convincing evidence that the Company and the group entities will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company and the group entities recognize MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the Consolidated Statement of Profit and Loss and shown as "MAT Credit Entitlement." The Company and the group entities review the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company and the group entities do not have convincing evidence that it will pay normal tax during the specified period.

xiii. Leases
As a Lessee:

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term.



AVG Logistics Limited
Notes to the Consolidated Financial Statements for the year ended March 31, 2019

As a Lessor:

Leases in which the Company and the group entities do not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease income on an operating lease is recognized in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term. Costs are recognized as an expense in the Consolidated Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Consolidated Statement of Profit and Loss.

xiv. **Contingent Liability, Provisions and Contingent Asset**

The Company and the group entities create a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation.

The Company and the group entities records a provision for decommissioning, restoration and similar liabilities that are recognized as cost of property, plant and equipment. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the statement of profit and loss as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

Contingent assets are neither recorded nor disclosed in the financial statements.

xv. **Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

The weighted average numbers of equity shares are adjusted for events such as bonus issue, bonus element in the rights issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

xvi. **Segment Reporting**

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company and the group entities. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Company and the group entities as a whole and are not allocable to segments on a reasonable basis, are shown as unallocable items.

xvii. **Corporate Social Responsibility**

As the Company and the group entities are discharging its CSR obligation through making contribution to the CSR activities as specified in Schedule VII to the Act, it is treated as an expense and hence charged to the Consolidated Statement of Profit and Loss.

xviii. **Material Events**

Material events occurring after the balance sheet date are taken into cognizance.



AVG Logistics Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

2 Share capital

The Company has only one class of Share Capital having a par value of INR 10 per share, referred to herein as equity share.

	As at March 31, 2019		As at March 31, 2018	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of INR 10 each (previous year equity shares of INR 10 each)	12,000,000	1,200.00	12,000,000	1,200.00
Issued, subscribed and fully paid up				
Equity Shares of INR 10 each, fully paid up (previous year equity shares of INR 10 each)	10,298,000	1,029.80	7,208,000	720.80
	10,298,000	1,029.80	7,208,000	720.80

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year

	As at March 31, 2019		As at March 31, 2018	
	Number	Amount	Number	Amount
Outstanding at the beginning of the year	7,208,000	720.80	4,240,000	424.00
Add: Bonus Shares issued during the year	-	-	2,968,000	296.80
Add: Shares issued during the year	3,090,000	309.00	-	-
Outstanding at the end of the year	10,298,000	1,029.80	7,208,000	720.80

(b) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at March 31, 2019		As at March 31, 2018	
	Number	Percentage	Number	Percentage
Sanjay Gupta	1,232,500	12%	1,232,500	17%
Asha Gupta	5,482,500	53%	5,482,500	76%
Niti Gupta	-	-	489,000	7%
Sixth Sense India Opportunities II	1,672,800	16%	-	-

The above information is furnished as per the shareholder register as on March 31, 2019

(c) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

	As at March 31, 2019	As at March 31, 2018
Equity shares allotted as fully paid bonus shares by capitalization of free reserves	-	2,968,000
Equity shares allotted as fully paid-up pursuant to contracts for consideration other than cash	-	-
Equity shares bought back by the company	-	-

(d) Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares having par value of INR 10 per share. Each shareholder is entitled to one vote per share held. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in ensuing Annual General Meeting, except in case where interim dividend is distributed. However the Company has not distributed any dividend during the current year and previous year.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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AVG Logistics Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
3 Reserves and surplus		
Securities premium		
Opening balance	14.00	14.00
Add: Premium on issue on account of Initial Public Offer (IPO)	2,997.30	-
Less: Share issue cost	(351.78)	-
Closing balance	<u>2,659.52</u>	<u>14.00</u>
Surplus in Statement of Profit and Loss		
Opening balance	2,225.12	1,767.26
Add: Profit for the year	949.10	754.66
Less: Bonus shares issued	-	(296.80)
Closing balance	<u>3,174.22</u>	<u>2,225.12</u>
	<u>5,833.74</u>	<u>2,239.12</u>
4 Long-term borrowings		
Secured		
Term loans from banks	2,504.68	1,095.99
Less : Disclosed as "Other current liabilities" (Refer note 10)- Refer footnote	(457.30)	(218.52)
Term loans from Non banking financial institutions	1,662.13	971.31
Less : Disclosed as "Other current liabilities" (Refer note 10)- Refer footnote	(810.08)	(212.27)
	<u>2,899.43</u>	<u>1,636.51</u>

Terms of loans footnote

Sl No	Nature of Lender	Terms of Repayment and Rate of Interest (ROI) % (Per Annum)	Charges created	Details of securities against borrowings	As at March 31, 2019	As at March 31, 2018
Term Loan from the bank						
1	Punjab National Bank	Repayable in 28 quarterly installments starting from April 1, 2020 with ROI 10.55%	115.00	Land and Buildings, machinery, electronic items, office furniture, fittings and furnishing with office equipments like computers, printers and vehicles etc. to be purchased from term loan and from own sources	444.10	56.44
Vehicle Loan						
2	Indusind Bank Limited	Repayable in monthly installments ranging from 36 to 60 months with ROI ranging from 9.95% to 12.03%.	Not available	Hypothecation of vehicle (Truck)	317.19	141.74
3	HDB financial Services Limited	Repayable in monthly installments ranging from 36 to 60 months with ROI ranging from 10.47% to 12.00%.	Not available	Hypothecation of vehicle (Truck)	158.85	94.89
4	Hinduja Leyland Finance Limited	Repayable in monthly installments ranging from 36 to 60 months with ROI ranging from 10.01% to 14.3%.	Not available	Hypothecation of vehicle (Truck)	747.81	334.54
5	ICICI Bank Limited	Repayable in monthly installments ranging from 36 to 60 months with ROI ranging from 9.4% to 11.75%.	Not available	Hypothecation of vehicle (Truck)	455.95	662.99
6	India Infoline Finance Limited	Repayable in monthly installments ranging from 36 to 60 months with ROI ranging from 12% to 13%.	168.00	Hypothecation of vehicle (Truck)	180.10	195.25
7	Kotak Mahindra Bank Limited	Repayable in monthly installments ranging from 36 to 60 months with ROI ranging from 9.35% to 12.63%.	Not available	Hypothecation of vehicle (Truck)	394.99	186.74
		Repayable in 36 monthly installments with ROI 9.99%.	Not available	Hypothecation of vehicle (Car)	0.22	1.44
8	Mahindra and Mahindra Finance	Repayable in 47 monthly installments with ROI 11.51%.	Not available	Hypothecation of vehicle (Truck)	200.00	-


Notes to the Consolidated Financial Statements for the year ended March 31, 2019

Sl No	Nature of Lender	Terms of Repayment and Rate of Interest (ROI) % (Per Annum)	Charges created	Details of securities against borrowings	As at March 31, 2019	As at March 31, 2018
9	Sundaram Finance Limited	Repayable in 47 monthly installments with ROI ranging from 9.96% and 12.04%.	377.00	Hypothecation of vehicle (Truck)	275.38	-
10	Tata Capital Financial Services Limited	Repayable in monthly installments ranging from 36 to 47 months with ROI ranging from 12.7% and 12.8%.	Not available	Hypothecation of vehicle (Truck)	14.67	30.76
11	Reliance Commercial Finance Limited	Repayable in monthly installments ranging from 36 to 47 months with ROI 8%.	Not available	Hypothecation of vehicle (Truck)	-	18.99
12	Tata Motors Finance Limited	Repayable in monthly installments ranging from 36 to 47 months with ROI ranging from 8.8% and 11.24%.	388.00	Hypothecation of vehicle (Truck)	305.39	296.88
13	Volkswagen Finance Private Limited	Repayable in monthly installments ranging from 36 to 47 months with ROI 10%.	570.00	Hypothecation of vehicle (Truck)	542.37	-
		Repayable in 60 monthly installments with ROI 10.25%.		Hypothecation of vehicle (Car)	7.16	13.74
14	Punjab National Bank	Repayable in 60 monthly installments with ROI ranging from 9.75% and 10%.	12.00	Hypothecation of vehicle (Car)	7.27	15.08
15	Union Bank of India	Repayable in 48 monthly installments with ROI 10.7%.	40.00	Hypothecation of vehicle (Car)	10.47	17.82
16	Yes Bank Limited	Repayable in monthly installments ranging from 48 to 60 months with ROI ranging from 9.14% and 9.99%.	Not available	Hypothecation of vehicle (Car)	27.91	-
17	Equitas Small Finance Bank	Repayable in 46 monthly installments with ROI 11%.	Not available	Hypothecation of vehicle (Truck)	76.98	-
Total					4,166.81	2,067.30

5 Deferred tax assets/ (liabilities), net

Major components of deferred tax arising on account of timing differences along with their movement as at March 31, 2019 are:

	As at March 31, 2019	Charge/ (benefit) for the year	As at March 31, 2018
Deferred tax assets			
Provision for retirement benefits	18.08	0.58	18.66
Provision for doubtful debts	65.30	(65.30)	-
Provision for Bonus	8.03	(8.03)	-
Provision for labour welfare fund	0.09	(0.09)	-
Deferred lease liability	44.35	(35.25)	9.10
Pre-operative expenses	76.45	(76.45)	-
Total (A)	212.30	(184.54)	27.76
Deferred tax liability			
On account of difference in depreciation as per the Income Tax Act, 1961 and depreciation and amortisation as per consolidated financial statements	(191.48)	58.38	(133.10)
Total (B)	(191.48)	58.38	(133.10)
Net deferred tax assets/ (liabilities) (A - B)	20.82	(126.16)	(105.34)

6 Other long term liabilities

	As at March 31, 2019	As at March 31, 2018
Security deposits	170.24	125.94
Deferred lease liability	152.31	26.28
	322.55	152.22



Notes to the Consolidated Financial Statements for the year ended March 31, 2019

7 Long term provisions

Provision for gratuity (Refer note 36)

As at March 31, 2019	As at March 31, 2018
46.78	39.94
46.78	39.94

8 Short-term borrowings

Loan repayable on demand
- From Banks (Refer footnote)

As at March 31, 2019	As at March 31, 2018
3,093.47	2,969.51
3,093.47	2,969.51

**Terms of loans
footnote**

Sl No	Nature of Lender	Terms of Repayment and Rate of Interest (ROI) % (Per Annum)	Charges created	Details of securities against borrowings	As at March 31, 2019	As at March 31, 2018
Cash credit from banks						
1	Union Bank of India	Repayable on demand with ROI 12.35%	Not available	Hypothecation of Book Debts and stocks	46.29	95.91
2	Punjab National Bank	Repayable on demand with ROI 10.5%	275.00	First Parri passu charge on Book debts arising out of genuine trade transactions including advances to suppliers and other current assets shared with other consortium lender for fund based working capital (FBWC)	3,047.18	2,873.60
Total					3,093.47	2,969.51

9 Trade Payables

Total outstanding dues of micro enterprises and small enterprises and,
Total outstanding dues of creditors other than micro enterprises and small enterprises

As at March 31, 2019	As at March 31, 2018
0.32	-
963.29	797.47
963.61	797.47

Disclosure as required by Micro, Small and Medium Enterprises Development Act, 2006 in respect of payments due to any supplier as at March 31, 2019 are as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Amount remaining unpaid to any supplier at the end of each accounting year:		
- Principal amount		
- Trade Payable	0.32	-
- The interest due thereon		
- Trade Payable	-	-
(b) the amounts paid by the buyer during the year:		
- interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006:		
- Principal repaid to suppliers beyond the appointed day during each accounting year	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-



Notes to the Consolidated Financial Statements for the year ended March 31, 2019

10 Other current liabilities	As at March 31, 2019	As at March 31, 2018
Current maturities of long term debts (Refer note 4)	1,267.38	430.79
Payable in respect of purchase of Property, plant and equipment	158.61	292.89
Goods and Service Tax payable	1,461.58	269.23
Other statutory dues payable	47.04	181.90
Interest accrued but not due on borrowings	41.49	-
Other payables (Refer note)	8.49	-
Employees benefits payable	155.49	171.64
Interest payable on taxes	106.80	-
	3,246.88	1,346.45
Note - Includes payable to enterprises over which the key management personnel exercise the significant influence		
NDR AVG Logistics LLP	7.25	-
11 Short-term provisions	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits:		
- Provision for bonus	27.58	3.12
- Provision for compensated absences	3.68	-
- Provision for gratuity (Refer note 36)	11.63	13.99
Other provisions		
- Provision for Income tax	-	11.66
(Net of tax deducted at source receivable INR Nil (Previous year INR 459.30 lakhs))		
	42.89	28.77

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Notes to the Consolidated Financial Statements for the year ended March 31, 2019

AVG Logistics Limited
Notes to the Consolidated Financial Statements for the year ended March 31, 2019
(All amounts in INR Lakhs, unless otherwise stated)

12. Property, plant and equipment

Particulars	Gross Block			Accumulated depreciation			Net block		
	As at April 1, 2018	Additions during the year	Disposals	As at March 31, 2019	As at April 1, 2018	For the year	Disposals	At at March 31, 2019	At at March 31, 2018
a) Tangible assets									
Owned assets:									
Freehold Land	158.05	12.38	-	170.43	-	-	-	170.43	158.05
Car & Bikes	261.80	41.76	16.69	286.87	118.23	30.39	12.95	151.20	143.57
Trucks	3,798.88	2,241.53	39.36	6,001.05	2,084.48	687.63	32.04	3,260.98	1,714.40
Furniture & Fixtures	54.56	10.48	-	65.04	16.17	5.24	-	43.63	38.39
Office Equipment's	143.77	14.05	-	157.82	73.01	22.61	-	62.20	70.76
Computers	61.18	8.34	-	69.52	43.57	7.63	-	18.32	17.61
Leased assets:									
Lease hold Lands	18.68	17.20	-	35.88	0.62	1.09	-	34.17	18.06
Total	4,496.92	2,345.74	56.05	6,786.61	2,336.08	754.59	44.99	3,740.93	2,160.84
b) Intangible assets									
Owned assets:									
Computer Software	2.22	7.20	-	9.42	2.11	1.18	-	6.13	0.11
Total	2.22	7.20	-	9.42	2.11	1.18	-	6.13	0.11

Property, plant and equipment as at March 31, 2018

Particulars	Gross Block			Accumulated depreciation			Net block		
	As at April 1, 2017	Additions during the year	Disposals	As at March 31, 2018	As at April 1, 2017	For the year	Disposals	At at March 31, 2018	At at March 31, 2017
a) Tangible assets									
Owned assets:									
Freehold Land	-	158.05	-	158.05	-	-	-	158.05	-
Car & Bikes	262.44	2.54	3.18	261.80	89.76	30.58	2.11	143.57	172.68
Trucks	3,402.22	438.92	42.26	3,798.88	1,597.09	511.36	23.97	1,714.40	1,805.13
Furniture & Fixtures	35.89	18.67	-	54.56	12.30	3.87	-	38.39	23.59
Office Equipment's	104.05	40.20	0.48	143.77	56.40	17.07	0.46	70.76	47.65
Computers	49.72	11.46	-	61.18	39.19	4.38	-	17.61	10.53
Leased assets:									
Lease hold Lands	18.68	-	-	18.68	-	0.62	-	18.06	18.68
Total	3,873.00	669.84	45.92	4,496.92	1,794.74	567.88	26.54	2,160.84	2,078.26
b) Intangible assets									
Owned assets:									
Computer Software	-	2.22	-	2.22	-	2.11	-	0.11	-
Total	-	2.22	-	2.22	-	2.11	-	0.11	-


AVG Logistics Limited
Notes to the Consolidated Financial Statements for the year ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

13 Non-current investments
Other investments (valued at cost unless otherwise stated)
Unquoted Investment

 Equity instrument (Refer Footnote i)
 98,45,697 Equity Shares of INR 10 each fully paid-up in NDRAVG Business Park Private Limited
Less: Share in loss of associate

	As at March 31, 2019	As at March 31, 2018
	984.57	-
	(62.96)	-
	921.61	-
Investment in capital of Limited Liability Partnership		
NDR AVG Logistics LLP (Refer Footnote ii)	1.50	155.00
<i>Add: Share in profit of associate</i>	0.39	-
	1.89	155.00
	923.50	155.00

Investment in capital of Limited Liability Partnership

NDR AVG Logistics LLP (Refer Footnote ii)

Add: Share in profit of associate
Aggregate amount of unquoted non-current investment
Aggregate provision made for diminution in value of investment
Footnote:

(i) The Company holds 35% (Previous year Nil) of total shares capital of NDRAVG Business Park Private Limited.

(ii) Investment in limited liability partnership firm

Investment in NDR AVG Logistics LLP
Name of the partners

N D R Ware Housing Pvt Ltd

AVG Logistics Ltd

N.Amrutesh Reddy

Sanjay Gupta

Total capital of firm

	As at March 31, 2019	As at March 31, 2018
Share in profits (%)		
	60.00%	60.00%
	30.00%	30.00%
	6.00%	6.00%
	4.00%	4.00%
	5.00	5.00

14 Long term loans and advances
Unsecured, Considered Good (unless otherwise stated)

 Capital advances
 Security deposits
 Loans and advances to related parties (Refer note)
 Other loans and advances
 Advance tax and tax deducted at source
 (Net of provisions INR 658.84 lakhs (Previous Year Nil))

	As at March 31, 2019	As at March 31, 2018
	113.19	33.56
	269.56	191.03
	452.00	493.00
	105.53	278.80
	-	-
	1,048.41	996.39

Note - Represents Loan and advances receivable from enterprise over which the key management personnel exercise significant influence

S V J Developers Private Limited (Refer note 31)

452.00 493.00

15 Other non current assets

Long term deposits with bank with maturity period more than 12 months *

* Pledged with bank against bank guarantees given to government authorities.

	As at March 31, 2019	As at March 31, 2018
	156.16	218.60
	156.16	218.60

16 Inventories

Consumables & Spare Parts (Valued at cost)

	As at March 31, 2019	As at March 31, 2018
	8.18	16.55
	8.18	16.55



Notes to the Consolidated Financial Statements for the year ended March 31, 2019

17 Trade receivables	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Outstanding for a period exceeding six months from the date they are due for payment	614.32	157.77
Others	6,432.41	4,537.30
(a)	<u>7,046.73</u>	<u>4,695.07</u>
Unsecured, considered doubtful		
Outstanding for a period exceeding six months from the date they are due for payment	224.25	
Others	(224.25)	-
Less: Provision for doubtful debts	-	-
(b)	<u>-</u>	<u>-</u>
(a) + (b)	<u><u>7,046.73</u></u>	<u><u>4,695.07</u></u>
Debts due by private companies in which any director is a director;		
PCG Logistics Private Limited (Refer note 31)	21.94	-
(a) + (b)	<u><u>7,046.73</u></u>	<u><u>4,695.07</u></u>
18 Cash and bank balances	As at March 31, 2019	As at March 31, 2018
Cash and cash equivalents		
Balance with Banks		
- Current accounts	112.73	72.69
Cash on hand	123.01	77.49
	<u>235.74</u>	<u>150.18</u>
19 Short-term loans and advances	As at March 31, 2019	As at March 31, 2018
Unsecured, Considered Good (unless otherwise stated)		
Prepaid expenses	53.97	38.07
Advance to suppliers	490.36	123.08
Advance to employees	105.52	91.01
Balance with government authorities	7.80	12.42
Lorry trip advance (Refer note 41)	1,749.56	741.51
Other loans and advances	327.74	-
Loans and advances to related parties (Refer Note)	59.81	-
Security deposits	155.25	132.33
TOTAL	<u><u>2,950.01</u></u>	<u><u>1,138.42</u></u>
Note - Includes Loan and advances receivable from enterprises over which the key management personnel exercise significant influence		
NDRAVG Business Park Private Limited (Refer note 31)	59.81	-
20 Other current assets	As at March 31, 2019	As at March 31, 2018
Unsecured, Considered Good (unless otherwise stated)		
Unbilled revenue	447.69	-
Deferred share issue expenses	-	44.04
Other receivables (Refer note)	109.43	28.80
TOTAL	<u><u>557.12</u></u>	<u><u>72.84</u></u>
Note - Includes interest receivable from enterprises over which the key management personnel exercise significant influence		
S V J Developers Private Limited (Refer note 31)	53.23	-


AVG Logistics Limited
Notes to the Consolidated Financial Statements for the year ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

	Year ended March 31, 2019	Year ended March 31, 2018
21 Revenue from operations		
Sale of products		
Traded goods	3,569.34	2,184.64
Sale of Services		
Freight income		
From others	22,065.32	16,708.88
From transporters (Refer note 40)	4,144.44	2,284.51
Warehousing income	1,443.15	1,468.37
Other Operating Revenue		
Sub-Lease income	126.96	12.96
	31,349.21	22,659.36
22 Other income		
Interest Income	100.50	19.27
Miscellaneous income	2.30	17.80
Liabilities written back to the extent no longer required	110.55	-
Profit on sale of property, plant and equipment (net)	7.67	6.67
	221.02	43.74
23 Purchases of traded goods / consumables		
Purchase of traded goods	3,514.83	2,148.45
Purchase of consumables	139.78	161.32
	3,654.61	2,309.77
24 Change in inventory		
Opening stock	16.55	7.22
Less: Closing stock	(8.18)	(16.55)
	8.37	(9.33)
25 Operating expenses		
Warehousing expenses	1,078.41	1,298.38
Transportation expenses	20,661.69	14,387.59
	21,740.10	15,685.97
26 Employee benefits expense		
Salaries, wages and bonus	1,009.86	897.73
Contribution to provident and other funds (Refer Note 36a)	55.45	42.94
Staff welfare expenses	29.66	19.68
Directors remuneration (other than perquisites)	132.00	132.00
Gratuity (Refer Note 36b)	5.04	19.05
	1,232.01	1,111.40



Notes to the Consolidated Financial Statements for the year ended March 31, 2019

27 Finance costs

	Year ended March 31, 2019	Year ended March 31, 2018
Interest on cash credit	275.02	311.29
Interest on vehicle loans	295.01	166.54
Interest on delayed payment of Goods and Service Tax	96.98	-
Interest on delayed payment of direct taxes	52.84	91.09
Other borrowing costs	117.56	109.14
	837.41	678.06

28 Other expenses

	Year ended March 31, 2019	Year ended March 31, 2018
Business promotion	126.57	60.24
Bank charges	40.20	50.95
Repair & maintenance expenses	357.93	297.71
Travelling expenses	158.54	84.94
Electricity & water charges	29.89	33.28
Office expenses	148.55	95.07
Postage & courier expenses	20.75	14.00
Printing & stationery expenses	19.78	18.71
Rent expenses (Refer note 33)	356.04	251.76
Director sitting fees	2.20	1.20
Rates and taxes	9.01	14.12
Legal & professional charges (Refer note 29)	76.11	63.40
Commission expenses	12.52	21.56
Donation	9.01	9.08
Festival expenses	15.10	15.27
Provision for doubtful debts	224.25	-
Expenditure towards Corporate social responsibility activities (Refer note 38)	18.14	-
Advances written off	169.11	-
Miscellaneous expenses	127.02	123.37
	1,920.72	1,154.66

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AVG Logistics Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

29 Payment to auditors (excluding taxes)

In capacity as auditor

Limited review

Audit fee

Reimbursement of expenses

	Year ended March 31, 2019	Year ended March 31, 2018
	5.00	-
	12.00	3.00
	0.63	-
	17.63	3.00

30 Prior Period Expense/ (Income)

Legal & Professional charges

Miscellaneous expenses

Interest Income

Freight Income

Miscellaneous income

Interest on vehicle loans

Interest on delayed payment of direct taxes

Travelling Expenses

Insurance Expenses

Office Expenses

Warehousing Expenses

Repair & Maintenance

Business Promotion

Salaries, wages and bonus

Rent Expenses

Warehousing Income

Credit note issued against revenue

	Year ended March 31, 2019	Year ended March 31, 2018
	7.94	-
	66.69	-
	(3.61)	-
	(244.85)	-
	(3.57)	-
	15.67	-
	17.28	-
	0.72	-
	7.92	-
	1.12	-
	3.87	-
	0.99	-
	4.15	-
	12.08	-
	79.56	-
	(27.86)	-
	143.00	-
	81.10	-

31 In accordance with the Accounting Standard (AS-18) on "Related Party Disclosures", the disclosures are as follows:

A. Name of related parties and nature of relationship

Related parties with whom transactions have taken place during the year

Relationship

Name of related parties

(i) Associate Company

NDRAVG Business Park Private Limited
(Incorporated on 01.10.2018)

(ii) Enterprises over which the key management personnel exercise significant influence

Directors are partner of the firm

MA Enterprises

Common Directors

PCG Logistics Private Limited

Director is partner of the Limited liability partnership

NDR AVG Logistics LLP

Director has significant influence

S V J Developers Private Limited

(iii) Key management personnel (KMP)

Managing Director

Sanjay Gupta

Women Director

Asha Gupta

Chief Financial Officer

Arun Kumar Goel

Company Secretary

Parul Jain

Non-Executive Director

Shyam Sunder Soni

Independent Director

Suresh Kumar Jain

Independent Director

Biswanath Shukla

Independent Director

Susheel Kumar Tyagi (w.e.f. 13-Nov-2018)

(iv) Relative of Key management Person (KMP)

Son of Sanjay Gupta and Asha Gupta

Vinayak Gupta



Notes to the Consolidated Financial Statements for the year ended March 31, 2019

B. Transaction with related parties

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<u>Transportation expenses</u>		
Enterprises over which the key management personnel exercise significant influence:		
PCG Logistics Private Limited	-	28.87
MA Enterprises	6.69	-
<u>Payment towards Slump purchase of business</u>		
Key management personnel (KMP):		
Asha Gupta	-	83.28
<u>Miscellaneous income</u>		
Enterprises over which the key management personnel exercise significant influence:		
MA Enterprises	0.60	0.71
<u>Investment in Limited Liability Partnership</u>		
Enterprises over which the key management personnel exercise significant influence:		
NDR AVG Logistics LLP	-	155.00
<u>Transfer of investment from NDR AVG Logistics LLP to NDRAVG Business Park Private Limited</u>		
Joint venture		
NDRAVG Business Park Private Limited	153.50	-
<u>Investment in Joint Venture</u>		
Joint venture		
NDRAVG Business Park Private Limited	831.07	-
<u>Short-term loans and advances given</u>		
Joint venture		
NDRAVG Business Park Private Limited	59.81	-
<u>Payment received of loan and advances</u>		
Enterprises over which the key management personnel exercise significant influence:		
S V J Developers Private Limited	41.00	-
<u>Interest Income</u>		
Enterprises over which the key management personnel exercise significant influence:		
S V J Developers Private Limited	53.23	-
<u>Freight Income</u>		
Enterprises over which the key management personnel exercise significant influence:		
PCG Logistics Private Limited	70.05	-
<u>Directors' remuneration</u>		
Key management personnel (KMP):		
Sanjay Gupta	72.00	72.00
Asha Gupta	60.00	60.00
<u>Salaries and wages</u>		
Key management personnel and its relatives:		
Vinayak Gupta	48.00	19.16
Arun Kumar Goel	38.25	5.38
Parul Jain	2.64	0.47
<u>Director sitting fees</u>		
Key management personnel (KMP):		
Shyam Sunder Soni	0.80	0.40
Suresh Kumar Jain	0.40	0.40
Biswanath Shukla	0.80	0.40
Susheel Kumar Tyagi	0.20	-



Notes to the Consolidated Financial Statements for the year ended March 31, 2019

C. Balance outstanding as at year end:

Particulars	As at 31 March 2019	As at 31 March 2018
Balances payable:		
Enterprises over which the key management personnel exercise significant influence:		
NDR AVG Logistics LLP	7.25	-
To Key management personnel (KMP) and its relatives:		
Sanjay Gupta	-	4.05
Asha Gupta	-	7.05
Vinayak Gupta	5.60	-
Arun Kumar Goel	3.82	3.05
Parul Jain	2.19	-
Shyam Sunder Soni	0.36	0.36
Suresh Kumar Jain	-	0.36
Biswanath Shukla	0.36	0.36
Susheel Kumar Tyagi	0.18	-
Balance receivables		
From Enterprises over which the key management personnel have the significant influence:		
NDR AVG Logistics LLP - Investment	1.50	155.00
NDRAVG Business Park Private Limited - Investment	831.07	-
NDRAVG Business Park Private Limited - Loan receivable	59.81	-
MA Enterprises - Other receivable	-	0.71
PCG Logistics Private Limited - Trade receivable	21.94	20.37
S V J Developers Private Limited - Loan receivable	452.00	493.00
S V J Developers Private Limited - Interest receivable	53.23	-

32 Earnings per share

	Year ended March 31, 2019	Year ended March 31, 2018
Profit after tax attributable to equity shareholders - A	949.10	754.66
Weighted average number of equity shares outstanding during the year - B	10,145,198	7,208,000
Basic/ Diluted Earnings per share - (A/B)	9.36	10.47
Nominal value per share (INR)	10	10

The Company does not have any outstanding dilutive potential equity shares. Consequently, the basic and dilutive EPS of the Company remains the same.

33 Leases

a) The Company has taken certain premises for office use of its employees and for sub lease purposes under operating lease for a period between 11 month to 15 years which includes both cancellable and non-cancellable leases. The total expense incurred under the operating lease agreements recognized as an expense in the Statement of Profit and Loss during the year is INR 356.04 lakhs (previous year INR 251.76 lakhs). Expected future minimum commitments for non cancellable period of leases together with any further periods for which the lessee has the option to continue the lease of the asset, with or without further payment, which option at the inception of the lease it is reasonably certain that the lessee will exercise are as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
Payable within one year	109.06	109.01
Payable between one and five years	543.93	511.29
Payable later than five years	1,560.53	1,702.23
Total	2,213.52	2,322.53

b) The Company has received sub-lease payments recognised in the Statement of Profit and Loss during the year are INR 126.96 lakhs (previous year INR 12.96 lakhs). The total of future minimum sublease payments expected to be received under non- cancellable subleases at the balance sheet date are as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
Receivable within one year	137.77	42.32
Receivable between one and five years	653.88	200.89
Receivable later than five years	1,522.79	849.27
Total	2,314.44	1,092.48



Notes to the Consolidated Financial Statements for the year ended March 31, 2019

34 Contingent liabilities (to the extent not provided for)

	As at 31 March 2019	As at 31 March 2018
Claims against the Company not acknowledged as debt (Refer footnote i)	43.87	7.50
	43.87	7.50

Footnote i:

Authority before which it is pending	Nature of tax	As at 31 March 2019	As at 31 March 2018
Liability against pending civil cases (Refer Footnote i)	Civil Case	43.87	7.50
		43.87	7.50

(i) Includes cases related to workman compensation and accidental compensation pending before the Labour Court filed by ex-employees of the Company. The quantum of liability cannot be ascertained and will be decided by the Labour Law Court in due course of time.

35 Capital and other commitments

Particulars	As at 31 March 2019	As at 31 March 2018
Estimated amount of contracts remaining to be executed on capital account Net of advances of INR 53.64 lakhs and Capital work in progress of INR 656.91 lakhs (Capital advances previous Year INR 29.55 lakhs)	859.47	277.39
Total capital commitments	859.47	277.39

36 The Company has in accordance with the Accounting Standard-15 (Revised) 'Employee Benefits' has calculated the various benefits provided to employees as under:

a. Defined contribution plans

During the year the Company has recognized the following amounts in the Statement of Profit and Loss:-

Particulars	As at 31 March 2019	As at 31 March 2018
Employers contribution to provident fund (Refer note below)	36.39	30.49
Employers contribution to employee state insurance	19.06	12.45
Total	55.45	42.94

Note: Based on the Supreme Court Judgement dated February 28, 2019, the Company was required to reassess the components to be included in the basic salary for the purposes of deduction of PF. However, the Company believes that there will be no impact and hence has not provided for any additional liability as on March 31, 2019 in the books of account.

b. Defined benefit plan

The present value obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligations. The summarized position of defined benefit plan is as under:

A. Actuarial assumptions

Particulars	As at 31 March 2019	As at 31 March 2018
Discount rate (per annum)	7.30%	7.44%
Expected rate of increase in compensation levels (per annum)	6.65%	5.00%
Retirement age (years)	60.00	60.00
Mortality table	IALM (2006-08)	IALM (2006-08)
Withdrawal rate	18.00%	20.00%

The discount rate has been assumed at 7.30% p.a. (previous year 7.44% p.a.) which is determined by reference to market yield at the Balance Sheet date on government securities. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.


Notes to the Consolidated Financial Statements for the year ended March 31, 2019
B. Changes in the present value of the defined benefit obligation are as follows:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening present value of obligation	53.92	-
Interest cost	4.01	-
Past service cost	-	42.14
Current service cost	14.35	11.79
Benefits paid	(0.55)	-
Actuarial loss/ (gain) on obligation	(13.32)	-
Closing present value of obligation	58.41	53.93

C. Expense recognised in the Statement of Profit and Loss

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current service cost	14.35	11.79
Interest cost	4.01	-
Past service cost	-	42.14
Net actuarial loss/ (gain) to be recognized	(13.32)	-
Expense recognised in the Statement of Profit and Loss (Refer note below)	5.04	53.93

Note

Expense recognised in employee benefit expenses (Refer note 26)	5.04	19.05
Expense recognised in miscellaneous expenses (Refer note 28)	-	34.88

D. Reconciliation of present value of defined benefit obligation and fair value of assets

Particulars	As at 31 March 2019	As at 31 March 2018
Present value of defined benefit obligation	58.41	53.93
Fair value of plan assets	-	-
Net funded status	(58.41)	(53.93)

Recognised under:

Short term provision (Refer note 11)	11.63	13.99
Long term provision (Refer note 7)	46.78	39.94

E. Net assets/ liability and actuarial experience gain/ (loss) for present benefit obligation ('PBO') and plan assets on gratuity

Particulars	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015
PBO	58.41	53.93	-	-	-
Plan assets	-	-	-	-	-
Net assets/ (liability)	(58.41)	(53.93)	-	-	-
Experience gain/ (loss) on PBO	13.32	-	-	-	-
Experience gain/ (loss) on plan assets	-	-	-	-	-

I. Employer's best estimate for contribution during next year

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Gratuity	19.57	16.39

37 Segment reporting
Primary segment

The Company operates mainly in Transportation, warehousing business and trading of High Seas goods. Hence, it has only one reportable segment and separate disclosure are not required as per Accounting Standard 17, 'Segment Reporting'.

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A. Segment Revenue		
Warehousing income	1,443.15	1,468.37
Freight income	26,209.76	18,993.39
Sale of traded goods	3,569.34	2,184.64
Others	126.96	12.96
Total Revenue from operations	31,349.21	22,659.36



Notes to the Consolidated Financial Statements for the year ended March 31, 2019

B. Segment Results

Expenses

Warehousing expenses	1,078.41	1,300.47
Freight expenses	20,661.69	14,539.58
Purchase of traded goods	3,514.83	2,148.45
Total	6,094.28	4,670.86
Less:		
i) Finance Costs	837.41	678.06
ii) Other unallocable expenditure net off unallocated income	3,835.63	2,790.22
Profit before tax	1,421.24	1,202.58

C. Segment Assets

Warehousing debtors	240.46	283.43
Transportation debtors	6,678.80	4,336.20
Traded goods debtors	67.58	60.00
Others	59.89	15.44
Total	7,046.73	4,695.07

D. Segment Liabilities

Warehousing payables	117.61	161.06
Transportation payables	835.92	636.41
Unallocated payables	10.08	-
Total	963.61	797.47

38 Corporate social responsibility (CSR)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Gross amount required to be spent	16.20	11.51
Amount spent during the year*	18.14	-

* As per the recommendation of the CSR committee and in compliance with CSR policy, the Company is in the process of constructing an old age homes in the town named Renigunta in Chittoor District Andhra Pradesh. As per 'The Andhra Pradesh Maintenance and Welfare of Parents and Senior Citizens Rules, 2011' ('state regulation') prior registration is required from, appropriate authorities. The amount spent on CSR activities during the year includes an amount of INR 14.33 lakhs which is spent for the above stated purpose. Currently, the Company is in the process for obtaining the requisite approvals from the Registration Authority and setting up the organizational structure to operate the old age home. The Company believes that the requisites approvals are procedural in nature.

39 Expenditure in foreign currency

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Legal & professional charges	0.61	-
	0.61	-

40 The Company, owing to its strategy to expand its operations, undertook consignments of/ from various transport entities to deliver such consignments at desired locations. Such business revenues are exempt from GST. During the current financial year, the Company has earned such income amounting to INR 4,144.44 lakhs (Previous year 2,284.51 lakhs) from such transporters which included INR 1,944.70 Lakhs booked during the months of January, February and March, 2019, invoices for which were raised in March, 2019. The Company is confident of recovering entire amount from such parties in due course of time. Further, the Company is taking steps to strengthen its internal control system to ensure timely and accurate booking of revenue along with requisite supporting's.

41 Since the Company is engaged in transportation business, it is expected to provide advances to it's own lorry drivers to meet necessary trip expenses. As such, as on March 31, 2019, the Company has outstanding 'Lorry Trip Advance' amounting to INR 1,749.56 Lakhs disclosed under the head 'Short-term loans and advances'. The Company recognises transportation expense on the basis of information submitted by its drivers after the completion of each trip and adjusts the advance given to them. The Company is in process of reconciling trip wise advance with the settlement sheet to establish one to one linkage of such advances.


Notes to the Consolidated Financial Statements for the year ended March 31, 2019

- 42 The Company has computed the income tax expenses, however final computation of taxable income and tax expense thereon would be concluded once tax audit is finalised. Further the Company believes that the provision accrued in books is adequate.
- 43 During the year, the Company completed its Initial Public Offer ('IPO') and allotted 3,090,000 equity shares of INR 10/-each at a premium of INR 97/- per share. The equity shares of the Company have been listed on SME platform of National Stock Exchange of India Limited (NSE) with effect from April 10, 2018. The Company utilized the issue proceeds for setting up warehouses at Agartala and Mysore, for meeting working capital requirements, for general corporate purposes and share issue expenses.
- 44 a. The Company acquired the 35% share issued at par in NDRAVG Business Park Private Limited (Associate Company) on October 01, 2018, the date on which the Associate Company was incorporated. Hence their were no pre acquisition profits as on the date of aquisition. No goodwill/capital reserves was required to be created.

b. The Company acquired the 30% share in NDR AVG Logistics (a Limited Liability Partnership (LLP) Firm) on October 06, 2017, the date on which the LLP was formed. Hence their were no pre acquisition profits as on the date of aquisition. No goodwill/capital reserves was required to be created.

- 45 Associates which have been considered in the preparation of the consolidated financial statements are as;

Name of entity	Relationship	Country of Incorporation	Ownership Held by	% of Holding power either directly or indirectly through subsidiary as at	
				As at 31 March 2019	As at 31 March 2018
NDRAVG Business Park Private Limited	Associate	India	Company	35%	0%
NDR AVG Logistics LLP	Associate	India	LLP	30%	30%

- 46 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act 2013:

Particulars		Name of the Entity Group		
		Parent	Associate	Associate
			Indian	Indian
		AVG Logistics Limited	NDRAVG Business Park Private Limited	NDR AVG Logistics LLP
Net Assets, i.e. total assets minus total liabilities	As % of consolidated net assets	100.91%	-0.92%	0.01%
	Amount	6,926.11	(62.96)	0.39
Share in profit and loss	As % of consolidated profit or loss	106.59%	-6.63%	0.04%
	Amount	1,011.67	(62.96)	0.39

- 47 The Company and its group entities did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- 48 There were no amounts which were required to be transferred to the Investor and Protection Fund by the Company.
- 49 The corresponding consolidated figures for the year ended March 31, 2018 is a consolidation between AVG Logistics Limited and NDR AVG Logistics LLP. Both the Companies are audited on standalone basis, however the consolidated financial statements are unaudited. Hence, the corresponding numbers for March 31, 2018 are based on management accounts.
- 50 Previous year figures have been regrouped/ reclassified, where necessary, to conform to this year's classification.

As per our report of even date
For **MSKA & Associates**
Chartered Accountants
Firm Registration Number: 105047W

For and on behalf of the Board of Directors of
AVG Logistics Limited
CIN:L60200DL2010PLC198327

Amit Mitra
Partner
Membership Number: 094518

Parul Jain
Company Secretary

Arun Kumar Goel
CFO

Place: New Delhi
Date: June 11, 2019

Sanjay Gupta
Managing Director
DIN : 00527801

Asha Gupta
Director
DIN : 02864795

Place: New Delhi
Date: June 11, 2019



NOTICE IS HEREBY GIVEN THAT THE 10TH ANNUAL GENERAL MEETING OF THE MEMBERS OF M/S AVG LOGISTICS LIMITED IS GOING TO BE HELD ON SATURDAY, 28TH SEPTEMBER, 2019 AT 03:00 P.M. AT THE JP HOTEL & RESORTS, 6B, PATPARGANJ I.P. EXTENSION, NH-24, BEHIND CNG PETROL PUMP, DELHI- 110092 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

To receive, consider and adopt the Annual Financial statements comprising of Audited Balance Sheet of the Company as at 31st March 2019 and the statement of profit and loss for the period from 1st April 2018 to 31st March 2019 and Notes forming part of the Financial Statement for the year ended 31 March, 2019 together with the Director's Report and Auditor's Report thereon.

To appoint Mr. Shyam Sunder Soni (DIN: 00396429), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3.Appointment of Mr. Susheel Kumar Tyagi, (DIN: 06906354) as Independent Director of the Company.

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, and a recommendation has been received from the Nomination and Remuneration Committee under section 160 of the Companies Act, 2013 for the appointment of Mr. Susheel Kumar Tyagi, (DIN: 06906354) who was appointed by the Board of Directors as an Additional Director (Independent category) of the Company with effect from November 13, 2018, and who holds office pursuant to the provisions of Section 161 of the Companies Act, 2013 upto the date of ensuing Annual General

Meeting and who meets the criteria for independence as provided in Section 149(6) of the Act, along with the rules framed thereunder, and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, the consent of the shareholders be and is hereby accorded for his appointment as an Independent Director of the Company for a term of five years, whose period of office shall not be subject to retirement by rotation.

RESOLVED FURTHER THAT the consent of the Company be and is hereby conferred upon Board of Directors to do all acts, deeds including filing of requisite forms and take steps as may be deemed necessary proper or expedient to give effect to this Resolution and matters incidental thereto, including to authorize any director to perform all such acts incidental thereto".

FOR AVG LOGISTICS LIMITED

SANJAY GUPTA
MANAGING DIRECTOR
DIN: 00527801
DATE: 02.09.2019
PLACE: DELHI

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.** A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. 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 or Shareholder.
2. Body Corporate member are requested to send a certified copy of the **Board Resolution** authorizing their representative to attend & vote at the meeting pursuant to provisions of section 113 of the Companies act, 2013.



3. All documents referred in the accompanying notice are available for inspection at the Registered Office of the Company during working days between 10.00 A.M. to 1.00 P.M. till the date of Annual General Meeting and also at the meeting.
4. Members are requested to intimate the change, if any, in their registered address immediately.
5. Members/Proxies should bring the **Attendance Slip** duly filled in and signed for attending the meeting.
6. It will be appreciated that queries, if any, on accounts and operations of the company are sent to the Registered Office of the Company ten days in advance of the meeting so that the information may be made readily available.
7. The Register of Directors and their Shareholdings, Register of Contracts with related party and in which directors are interested and Register of Proxies would be available for inspection by the Members at the meeting.
8. Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, the 21st September, 2019 to Saturday, the 28th September, 2019 (both days inclusive).
9. The non-resident Indian shareholders are requested to inform the company immediately about:
 - a. The change in the residential status on return to India for Permanent settlement.
 - b. The particulars of NRO bank account in India if not furnished Earlier.
10. The Company has made necessary arrangements for the members to hold their shares in dematerialized form. Members are also entitled to make nomination in respect of the shares held by them in dematerialized form with their respective DP's.
11. Additional Information, pursuant to Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, in respect of the directors seeking appointment/ re-appointment at the Annual General Meeting, is furnished as annexure to the Notice. The directors have furnished consent /declaration for their appointment/ reappointment as required under the Companies Act, 2013 and the rules there under. ATTACHED AS ANNEXURE- F & G.
12. Pursuant to the provisions of Sections 101 and 136 of the Act read with the Companies (Accounts) Rules, 2014 Annual Report for the Financial Year 2018-19, the notice of the 10TH Annual General Meeting along with Attendance Slip and Proxy form, are being sent by electronic mode to the members whose email addresses are registered with the Company/ Depository Participant(s) and the physical copy to the members at their registered address, whose E-mail id's are not registered.
13. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their Demat accounts.
14. The Annual Report of the Company will be available on the Company's website, As per Section 136(1), the physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours on working days.
15. A person who is not a member as on cut-off date should treat this Notice for information purpose only.
16. In case of Joint holder's attending the meeting, the Joint-holder's who is higher in the order will be entitled to vote at the meeting.



17. A route map showing direction to reach the venue of the meeting is given at the end of this Notice.
16. E-Voting is not applicable on the companies who has less than 1000 shareholders and listed there securities on the SME platform as per the amendment in the Rule 20 of the companies Rules 2014.

FOR AVG LOGISTICS LIMITED

SANJAY GUPTA
MANAGING DIRECTOR
DIN: 00527801

Date: 02.09.2019
Place: Delhi

EXPLANATORY STATEMENT PURSUANT TO
SECTION 102 OF THE COMPANIES ACT 2013

ITEM – 3

Your Board of Directors wish to inform you that with a view to strengthen the Board and on the recommendation of Nomination and Remuneration Committee, Mr. Susheel Kumar Tyagi, (DIN: [06906354](#)) was appointed as an Additional Director (Independent category) of the Company, and who shall hold office till the end of the ensuing Annual general meeting.

Further, since the company has been benefitted with the rich experience of Mr. Tyagi thus, pursuant to the provisions of Section 160 of the Act, the Nomination and Remuneration Committee further recommended for the appointment of Mr. Susheel Kumar Tyagi as a Director (Independent category).

Mr. Susheel Kumar Tyagi has given a declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In the opinion of the Board, Mr. Susheel Kumar Tyagi fulfils the conditions specified in the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the Listing

Regulations for his appointment as an Independent Director of the Company and is independent of the management.

Accordingly, the Board considers that his association would be of immense benefit to the Company and it is desirable to avail the services of Mr. Susheel Kumar Tyagi as an Independent Director for a term of five consecutive years. But for the said purpose, your approval is solicited by passing Ordinary Resolution as set out at Item No. 3 of the notice of the AGM. None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution. Mr. Susheel Kumar Tyagi is not related to any Director of the Company.

FOR AVG LOGISTICS LIMITED

SANJAY GUPTA
MANAGING DIRECTOR
DIN: 00527801

Date: 02.09.2019
Place: Delhi

**ATTENDANCE SLIP****(TO BE PRESENTED AT THE ENTRANCE)****10th ANNUAL GENERAL MEETING ON SATURDAY, 28TH SEPTEMBER, 2019 AT 3:00 P.M.****At JP HOTEL & RESORTS, 6B, PATPARGANJ I.P. EXTENSION, NH-24, BEHIND CNG PETROL PUMP,
DELHI- 110092**

Folio No..... DP ID Client ID No.

Name of the Member: Signature:

Name of the Proxy holder: Signature:

No. of Share(s) held

I hereby record my presence at the 10th Annual General Meeting of the Company held on Saturday, 28th September, 2019 at**NOTE:**

1. Only member/proxy holder can attend the meeting.
2. Member/proxy holder should bring his/her copy of the Annual Report for reference at the meeting.
3. In the case of joint holders, the signature of any one holder shall be sufficient, but the names of all joint holders should be stated.



**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]

CIN: L60200DL2010PLC198327

Name of the Company: AVG LOGISTICS LIMITED

Registered office: OFFICE NO. 25, D.D.A MARKET, SAVITA VIHAR DELHI 110092

Name of the Member(s):

Registered address:

E-mail Id:

Folio No/ Clint Id:

DP ID:

I/ We being the member of _____, holding _____ shares, hereby appoint

1. Name:

Address:

E-mail Id:

Signature: _____, or failing him

2. Name:

Address:

E-mail Id:

Signature: _____,

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 10th Annual General Meeting of the Company, to be held onat the.....registered office of the Company at,and at any adjournment thereof in respect of such resolutions as are indicated below:

RESOLUTION NO:

Res. no.	Description	For	Against
1.	Adoption of Audited Financial Statements and Reports of the Board of Directors' and Auditors' thereon for the Financial Year ended 31st March, 2019		
2.	To appoint Mr. Shyam Sunder Soni (DIN: 00396429), who retires by rotation and being eligible, offers himself for re-appointment.		
3.	To appoint Mr. Susheel Kumar Tyagi, (DIN: 06906354) as Independent Director of the Company.		

Signed this _____ day of _____ 2019

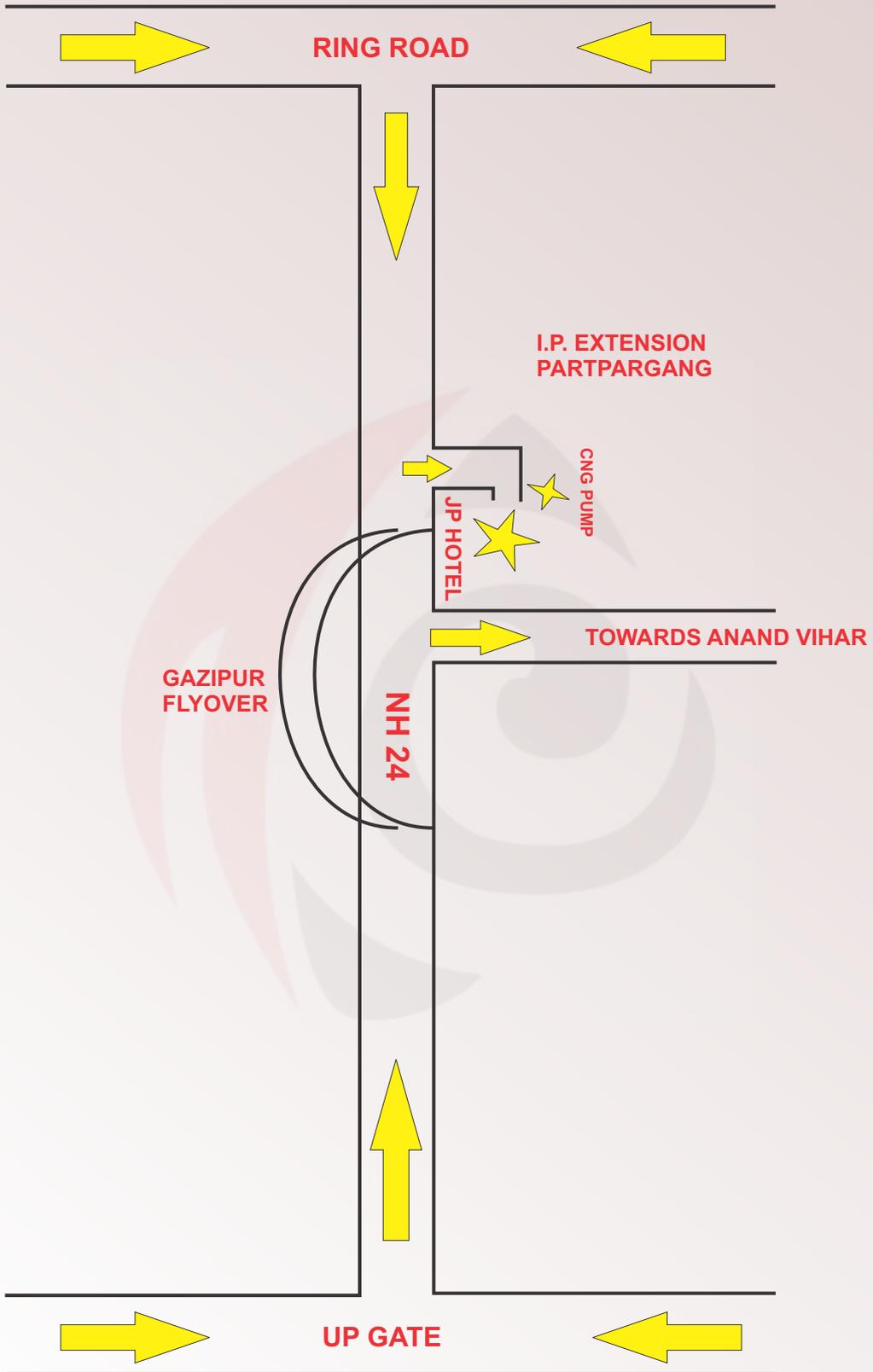
Signature of Shareholder

Signature of Proxy holder(s)

Affix Revenue
Stamp

Note:

1. 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.
2. A person can act as proxy on behalf of Members upto and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. Further, 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 proxy for any other person or Member.
3. In the case of joint holders, the signature of any one holder shall be sufficient, but the names of all joint holders should be stated.
4. Appointing a proxy does not prevent a member from attending in person if he so wishes





AVG LOGISTICS[®]

A STEP AHEAD

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