

Report of Factual Findings in connection with Agreed-upon Procedures with respect to compliance with the requirements of Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended, in relation to proposed preferential issue of equity shares.

To,
The Board of Directors
AVG Logistics Limited
Office No. 25, DDA Market,
Savita Vihar, New Delhi- 110095

Sirs,

We have performed the procedures agreed vide our engagement letter dated June 22, 2020, in relation to the proposed preferential issue of ordinary Equity Shares to Sixth Sense India Opportunities II, Bhupinder Singh, Swarnim Vyapaar LLP and Ved Prakash Sonthalia (hereinafter referred to as "Proposed Allottees") in compliance with the requirements of "Chapter V - Preferential Issue" of Securities and Exchange Board of India ("SEBI") (Issue of Capital and Disclosures Requirement) Regulations 2018, as amended (hereinafter referred to as "the Regulations") in accordance with regulation 163(2) of the said Regulations, This report is solely for the information and use of the Board of Directors and members of the Company.

Our engagement was undertaken in accordance with the Standard on Related Services (SRS) 4400, "Engagements to Perform Agreed-upon Procedures regarding Financial Information," issued by the Institute of Chartered Accountants of India.

Management's Responsibility

1. Management is responsible for the preparation and maintenance of all accounting records and other relevant supporting documents. Management is responsible for design, implementation and maintenance of internal control relevant to the preparation and presentation of the information as represented in this report.
2. The Management is also responsible for ensuring that the Company complies with the requirements of the Regulations for the proposed preferential issue and allotment and also provides all relevant information to the Stock Exchange.

We have been provided with the following documents by the management:

- a) The Notice of Extra Ordinary General Meeting to be held on July 15, 2020 issued by the Company and the special business for the proposed preferential issuance of 14,77,271 equity shares of the face value of Rs. 10 at a price of Rs. 44 per equity share aggregating to Rs. 6,50,00,000, is included in the same;
- b) Details of the Proposed Allottees such as name, number of shares to be issued etc.;

- c) Copy of confirmation from the Registrar and Transfer Agent, stating that none of the proposed allottees have sold/ transferred / pledged their Equity Shares of the Company during the period of six months prior to the relevant date i.e. June 15, 2020 ;
- d) Copy of Confirmation from Registrar and Transfer Agent confirming the shareholding details as on June 14, 2020, and June 21, 2020 and transactions details between June 14, 2020 and June 21, 2020.
- e) Valuation report from an independent valuer determining fair value of shares of the Company as on relevant date i.e. June 15, 2020;
- f) Permanent Account Number of the Proposed Allottees; and
- g) Written Representation from the Management in this regard.

We have performed following procedures as per our engagement letter dated June 22, 2020:

S.no	Condition	Procedure Performed	Findings/ observation
1.	As per regulation 159(1) of the regulations, preferential issue of equity shares shall not be made to any person who has sold or transferred any equity shares of the issuer during six months preceding the relevant date.	<ol style="list-style-type: none">1. Obtained and verified the confirmation from the Registrar and Transfer Agent, stating that none of the proposed allottees have sold/ transferred / pledged any Ordinary Equity Shares of the Company during the period of six months prior to the relevant date i.e. June 15, 2020.2. Obtained and verified confirmation from Registrar and Transfer Agent confirming the shareholding details as on June 14, 2020, and June 21, 2020 also that no transactions occurred between June 14, 2020 and June 21, 2020.3. Obtained Management confirmation that there is only one Registrar and Transfer agent appointed by the Company.	None

S.no	Condition	Procedure Performed	Findings/ observation
2.	To ensure that proposed allottees do not belong to promoter or promoter group	1. Verified from National Stock Exchange (NSE) website, the details of promoter and promoter group holding as on March 31, 2020, based on the same, proposed allottees were not identified in that listing. Further the Company has not declared any shareholder as promoter from March 31, 2020 to till date of execution of this report.	None
3.	All equity shares allotted by way of preferential issue shall be fully paid up at the time of allotment	1. Verified the Notice of Extra Ordinary General Meeting to be held on July 15, 2020 issued by the Company and ensured that the special business included in the same indicates the proposed preferential issuance of 14,77,271 equity shares of the face value of Rs. 10 at a price of Rs. 44 per equity share aggregating to Rs. 6,50,00,000.	None
4.	A special resolution shall be passed by its shareholders	1. Verified the Notice of Extra Ordinary General Meeting to be held on July 15, 2020 issued by the Company and ensured that the special business included in the same indicates the proposed preferential issuance of 14,77,271 equity shares of the face value of Rs. 10 at a price of Rs. 44 per equity share aggregating to Rs. 6,50,00,000.	None
5.	All equity shares held by proposed allottees in the issuer are in dematerialized form	1. Proposed shares have not been allotted till the date of issue of this report 2. Confirmed from Registrar and Transfer Agent that existing equity	None

S.no	Condition	Procedure Performed	Findings/ observation
		shares are held in dematerialized form by Sixth Sense India Opportunities II and Swarnim Vyapaar LLP, being two of the proposed allottees, who are also the existing shareholders.	
6.	The issuer has obtained permanent account number of proposed allottees	1. We have verified permanent account number from the copy of their PAN Cards, Refer Annexure I for the details of proposed allottees.	None
7.	Where the shares of the issuer are not frequently traded, the price determined by the issuer shall take into account the valuation parameters including book value, comparable trading multiples and such other parameters as are customary for valuation of such shares	1. We verified the valuation report dated June 15, 2020 issued by independent valuer determining the value of per share at INR 43.76.	1.Value at which shares proposed be issues is INR 44 per share. 2.Further Independent valuer has concluded that the share of the Company are "infrequently traded shares" in accordance with the provision of regulation 164(5) of Chapter V of Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2018. Accordingly, valuation has been done by the independent valuer in accordance with regulation 165 of the regulations, on the basis of weighted average of

S.no	Condition	Procedure Performed	Findings/ observation
			values computed using the methods namely; Net worth method, Earnings/ yield method and Market Price Method by giving weightage of 1/3 rd to each method.

The above procedures do not constitute either an audit or a review made in accordance with the generally accepted auditing standards in India. Had we performed additional procedures, or an audit or review of the financial statements / information provided to us in accordance with the generally accepted auditing standards in India, other matters might have come to our attention that would have been reported to you.

MSKA

& Associates

Chartered Accountants

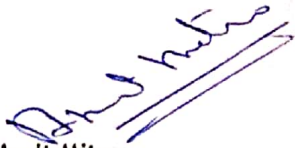
Restriction on Use

The report is issued solely for the purpose as mention in paragraph 1 above. This report should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing. MSKA & Associates shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment, except to the extent of fees relating to this assignment. We have no responsibility to update this report for any events or circumstances occurring after the date of this report.

MSKA & Associates

Chartered Accountants

Firm Registration No. 105047W



Amit Mitra

Partner

Membership No. 094518

UDIN: 20094518AAAADB5066

Place: Gurugram

Date: July 10, 2020

Annexure 1

To issue proposed equity shares on preferential basis to specified non-promoter entities (hereinafter referred to as "Proposed Allottees") as detailed herein below:

Sr. No.	Name	Category	PAN Number	No. of Shares to be issued
1.	Sixth Sense India Opportunities II	Non-Promoter	AAUTS4035P	10,22,727
2.	Bhupinder Singh	Non-Promoter	ANVPS2558R	1,13,636
3.	Swarnim Vyapaar LLP	Non-Promoter	ADHFS6500R	1,70,454
4.	Ved Prakash Sonthalia	Non-Promoter	ABMPS8530J	1,70,454
	Total			14,77,271