

Regd. & Admn. Office :

Bengaluru Road Varur

HUBBALLI - 581 207 Karnataka State

Phone : 63661 19394

Fax : 0836 2237614

e-mail : varurho@vrllogistics.com

BSE Limited
PhirozeJeejeebhoy Towers
Dalal Street
Mumbai- 400001
Script Code: 539118

National Stock Exchange of India Limited
Exchange Plaza, Plot No.C/1, G-Block,
Bandra – Kurla Complex, Bandra (E),
Mumbai – 400 051
Script Code: VRLLOG

Dear Sir / Madam,

Sub: Disclosure under Clause 30 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 relating to Capacity Addition - Purchase of Trucks

Ref: Scrip Codes - (BSE – 539118) (NSE – VRLLOG)

In compliance with clause 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and in accordance with policy for disclosure of events of the Company, we disclose herewith the following information.

Capacity Addition – Purchase of New Trucks for our Goods Transportation Business:

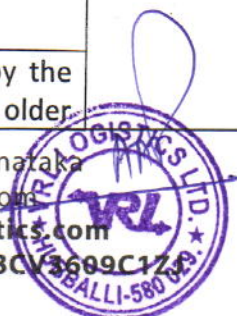
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| Existing Capacity | Total number of trucks as on 28.02.2022 is 4,786 under the Goods Transportation business segment |
| Existing capacity utilization | We operate on hub and spoke model and ensure that the capacity utilization of our hub to hub vehicles is optimal. |
| Proposed capacity addition | 1,600 customized trucks comprising of 1,000 trucks of TATA LPT 2818 make, 200 trucks of TATA LPT 1415 make, 100 trucks of TATA 610 SFC make, 200 trucks of Ashok Leyland1920 make and 100 trucks of Ashok Leyland 4620 make. |
| Period within which capacity is to be added | Fleet addition is expected to commence by April2022 and would be spread over a time frame of 12-18 months. |
| Investment required | Rs.560 crores approx. comprising of Chassis cost around Rs.470 crores and the balance being cost of body building, registration, insurance costs etc. (please refer notes below) |
| Mode of financing | Mix of Debt from Banks / FIs and Internal Accruals |
| Rationale | Ongoing implementation of Vehicle Scraping Policy announced by the Government of India envisages the company to replace its existing older |

Corporate Office : Giriraj Annexe Circuit House Road **HUBBALLI - 580 029** Karnataka

Phone : 0836 2237511 Fax : 0836 2256612 e-mail : headoffice@vrllogistics.com

Customer Care : HUBBALLI ☎ 0836 - 2307800 e-mail : customercare@vrllogistics.com

Website : www.vrllogistics.com CIN : L60210KA1983PLC005247 **GSTIN (KAR): 29AABCY3699C1Z9**



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| | <p>vehicles going ahead. In the near future, the company needs to withdraw around 1200 vehicles that are more than 15 years in operation. The proposed Capex staggered over a 12-18 month period is expected to help the Company meet its business demand in due course and reduce dependence on hired vehicles.</p> <p>It is expected that the Company would lose owned fleet capacity of upto 12000 MT owing to scrapping owing vehicles. The proposed capacity addition duly staggered over the period indicated above would result in the addition of around 25000 MT resulting in a net addition of upto 13000 MT (around 20% of existing fleet capacity). This would also cater to expected growth volumes in the near medium term.</p> <p>The vehicles being added include prime movers and trailers too. These vehicles will come fitted with the latest in features and technology. These advanced features and technologies will help us have a reduced maintenance time, fewer stop overs and better efficiency resulting in better uptime.</p> |
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Notes:

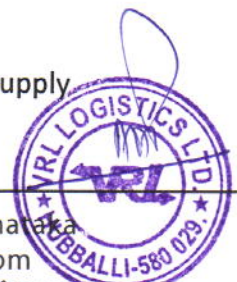
- The Company proposes to purchase truck chassis from TATA Motors Limited and Ashok Leyland Limited and would construct the truck bodies in-house / outside as feasible. The cost of chassis is taken at the list price for the respective vehicles and would be subject to further negotiation with the said CV manufacturers.
- Cost included towards body building is a management estimate based on present day costs - subject to change in input costs in relation thereto. The same would also remain subject to any movement in the statutory levies as may be applicable in due course as also any discounts / additional features being included for the vehicles.
- The said vehicles could be purchased across India and registered locally based on business requirements. The Company has estimated costs in relation to the Insurance and Registration expenses with RTO based on its past experience in relation to these.
- Vehicle supply timeline indicated above remains subject to any disruptions in supply schedule by the vehicle suppliers.

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- The management would also review the said capex on an ongoing basis to responsuitably to any further regulatory changes, including in relation to Vehicle scrappage etc.

You are requested to kindly take note of the same.

For VRL LOGISTICS LIMITED


ANIRUDDHA PHADNAVIS
COMPANY SECRETARY & COMPLIANCE OFFICER



Place: Hubballi

Date: 06.04.2022

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