

**Corporate Office :**

Giriraj Annexe Circuit House Road  
**HUBBALLI - 580 029** Karnataka State  
Phone : 0836 2237511  
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BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai- 400001

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

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 Trucks:**

<b>Existing Capacity</b>	Total number of trucks as on 31.12.2017 is 3989 under the Goods Transportation business segment
<b>Existing capacity utilization</b>	We operate on hub and spoke model and ensure that the capacity utilization of our hub to hub vehicles is full. Vehicles operating between hub and spoke are for 'collection from origin' and 'distribution to destination'. As such we do not consider 'capacity utilization' as a metric internally.
<b>Proposed capacity addition</b>	1200 customized trucks comprising of 600 trucks of AL 3123 make and 600 trucks of AL 3723 make.
<b>Period within which capacity is to be added</b>	Fleet addition is expected to commence by April 2018 and would conclude by December 2019
<b>Investment required</b>	Rs. 400 crores approx. comprising of Chassis cost around Rs.339 crores and balance being cost of body building, registration, insurance and margin for contingencies. (please refer notes below)



**Regd. & Admn. Office :** Bengaluru Road Varur **HUBBALLI - 581 207** Karnataka State

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**Website : www.vrllogistics.com CIN : L60210KA1983PLC005247**

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<b>Mode of financing</b>	Mix of Vehicle loans from Banks / NBFCs and internal accruals
<b>Rationale</b>	<p>Under the GST regime the Company envisages a huge potential for business growth. The Company is in receipt of several new business enquiries from the market for freight movement. The proposed capex staggered over a 21 month period is expected to help the Company meet its business demand in due course. The trucks being added have a capacity of 19MT / 24MT. Increasing owned fleet would also reduce the dependency on outside vehicles.</p> <p>The trucks 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>

**Notes:**

- The Company proposes to purchase truck chassis from Ashok Leyland Limited and would construct the truck bodies in-house. Upon such completion, vehicles would get registered and be available for usage. Cost indicated above is a management estimate - subject to change in input costs in relation to in-house truck body building. 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.
- Vehicle supply timeline indicated above remains subject to any disruptions in supply schedule by the vehicle suppliers.
- The vehicles indicated above are being purchased from Ashok Leyland Limited.
- The total cost indicated above includes the chassis cost as finalized with Ashok Leyland Ltd, estimated costs for body building, vehicle registration and insurance as also a margin for contingencies. Such costs could actually differ owing to changes in taxes and levies, regulatory changes as also a change in the costs of input material for body building etc.

You are requested to kindly take note of the same.

For VRL LOGISTICS LIMITED



**SUNIL NALAVADI**  
CHIEF FINANCIAL OFFICER



Place: Hubballi

Date: 24.01.2018

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