

**Corporate Office:**

Giriraj Annexe Circuit House Road  
**HUBBALLI- 580 029** Karnataka State  
Phone : 0836- 2237511  
Fax : 0836 2256612  
e-mail : headoffice@vrllogistics.com

To,

**BSE Limited**  
**Phiroze Jeejeebhoy Towers**  
**Dalal Street**  
**Mumbai- 400 001**  
**Scrip Code: 539118**

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

Dear Sir / Madam,

***Sub: Submission of Earnings Presentation***

With respect to above captioned subject and in accordance with the extant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and other applicable laws for time being in force, we enclose herewith the Earnings Presentation of the Company which would also be hosted on the website of our Company.

We request you to kindly take note of the same

Thanking you,

Yours faithfully

**For VRL LOGISTICS LIMITED**

**ANIRUDDHA PHADNAVIS**  
**COMPANY SECRETARY AND COMPLIANCE OFFICER**  
**Date: 30.01.2023**  
**Place: Hubballi**

# Q3 FY2022-23 Earnings presentation



# Disclaimer

- Certain statements contained in this document may be statements of future expectations/forward looking statements that are based on management's current view and assumptions and involve known and unknown risks and uncertainties that could cause actual results/performance or events to differ materially from those expressed or implied herein.
- The information contained in this presentation has not been independently verified and no representation or warranty expressed or implied is made, and no reliance should be placed on the fairness, accuracy, completeness or correctness of the information or opinions contained herein.
- This presentation may contain certain forward looking statements within the meaning of applicable securities law and regulations. These statements include descriptions regarding the intent, belief or current expectations of the Company or its directors and officers with respect to the results of operations and financial condition of the Company. Such forward-looking statements are not a guarantee of future performance and actual results may differ from those in such forward-looking statements as a result of various factors and assumptions which the Company presently believes to be reasonable. Many factors could cause the actual results, to be materially different and significant factors that could make a difference to the Company's operations include domestic and international economic conditions, changes in government regulations, tax regime, etc
- None of VRL Logistics Ltd. or any of its affiliates, advisors or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection with this document.
- This document does not constitute an offer or invitation to purchase or subscribe for any shares and neither it nor any part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever.

# VRL – MARKET LEADER IN B2B PARCEL SEGMENT



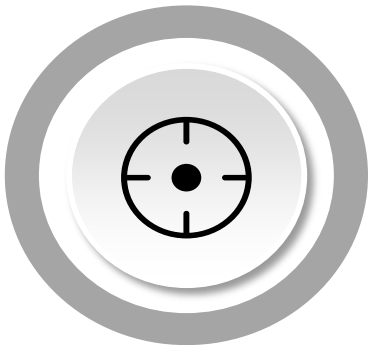
*Only “Owned Asset” organised player in Less than Truckload logistics business in India*



*Pan-India surface logistics services provider with an established brand having one of the largest distribution networks in India*



*Integrated hub-and-spoke operating model ensuring efficient consignment distribution*



*Dedicated In-house maintenance facilities, inventory of spare parts and In-house software & technology capabilities*



*Apt asset owned model leads to higher operating margins, higher cash flows & return metrics*



*Diversified Customer base offering varied Commodity mix*



**5433** OWNED  
GOODS  
TRANSPORT  
VEHICLES

HIRED VEHICLES  
ENGAGED ON  
NEED BASIS

**1070** GOODS  
TRANSPORT  
BRANCHES

**47** MASSIVE  
TRANSHIPMENT  
HUBS

**7 LAKH +**  
CUSTOMER BASE

**20000+**  
WORKFORCE led by  
experienced  
management

# FINANCIALS

**9MFY23 Records 28% growth in Total Income driven By Strategic Expansion plan, aided by revival in Economy Activity & Increased Compliance**

(INR in Lakhs)	Q3		YoY	Q2		QoQ		YoY
	FY23	FY22	Growth (%)	FY23	Growth (%)	9MFY23	9MFY22	Growth (%)
Income from Continuing Operations	68153.06	60145.06	13.3%	65447.02	4.1%	195033.34	156963.37	24.3%
Income from Discontinued Operations	8731.70	7693.47	13.5%	7627.82	14.5%	26637.63	15889.14	67.6%
Other Income	448.54	491.23	(8.7%)	220.31	103.6%	965.33	1019.11	(5.3%)
<b>Total Income</b>	<b>77333.30</b>	<b>68329.76</b>	<b>13.2%</b>	<b>73295.15</b>	<b>5.5%</b>	<b>222636.30</b>	<b>173871.62</b>	<b>28.0%</b>
<b>Profit before tax (from Continuing +Discontinued Operations)</b>	6590.67	7773.57	(15.2%)	4395.86	49.9%	17592.88	13580.20	29.5%
<b>MARGINS (%)</b>	8.5%	11.4%		6.0%		7.9%	7.8%	
<b>Profit after tax (from Continuing +Discontinued Operations)</b>	4920.04	6048.80	(18.7%)	3145.80	56.4%	13002.36	10392.42	25.1%
<b>MARGINS (%)</b>	6.4%	8.9%		4.3%		5.8%	6.0%	

Note: 1. Wind Power Business operations discontinued as at 31.07.2022, 2. Bus Operations discontinued as at 31.12.2022



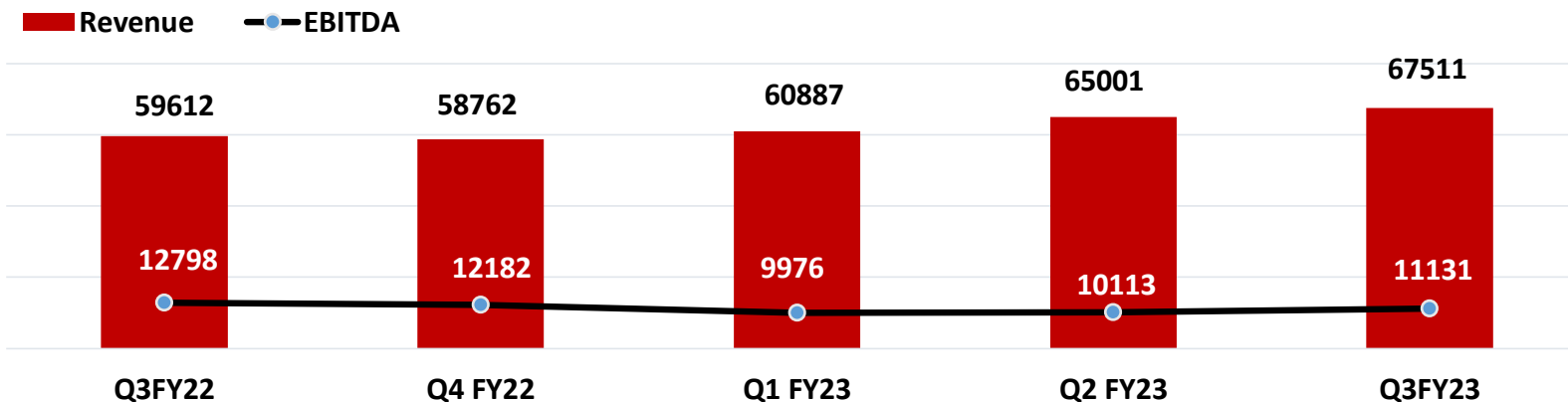
# GOODS TRANSPORT (GT)

Rupees in Lakhs	Q3		YoY	Q2	QoQ			YoY
	FY23	FY22	Growth (%)	FY23	Growth (%)	9MFY23	9MFY22	Growth (%)
Revenue	67511	59612	13.3%	65001	3.9%	193400	154976	24.8%
EBITDA	11131	12798	(13.0%)	10113	10.1%	31220	28083	11.2%
Margin (%)	16.5%	21.5%		15.6%		16.1%	18.1%	
EBIT	7283	9273	(21.5%)	6619	10.0%	20856	18650	11.8%
Margin (%)	10.8%	15.6%		10.2%		10.8%	12.0%	

Q3FY23 records the highest ever revenue @ Rs.67511 lakhs driven by demand across all sectors and addition of new MSME and Corporate clients

Addition of new branches supporting revenue increase to all time high

Increase in freight rates by 5% for non contractual customers from Mid-December 2022



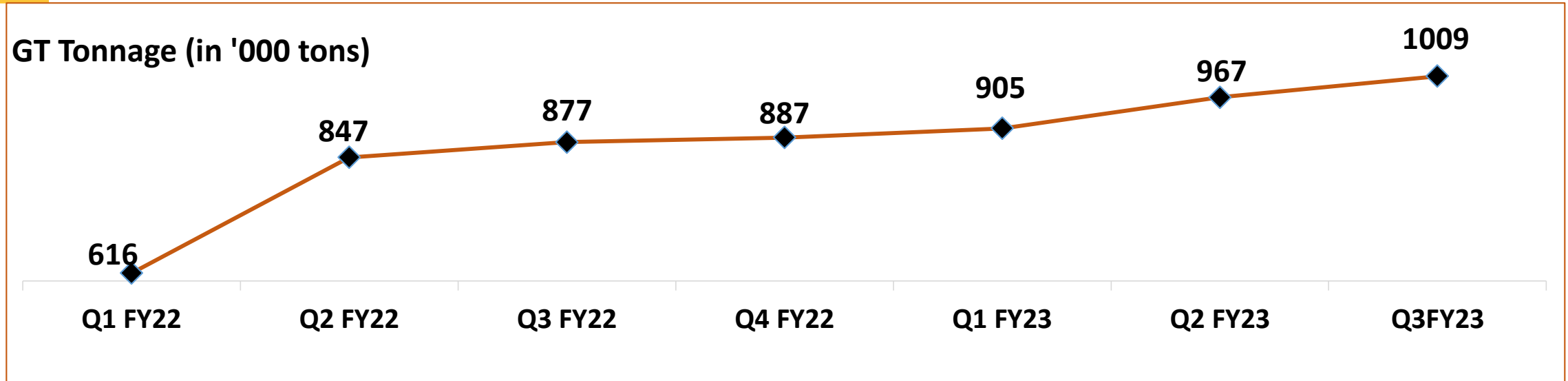
# GT PERFORMANCE

## Revenue Analysis

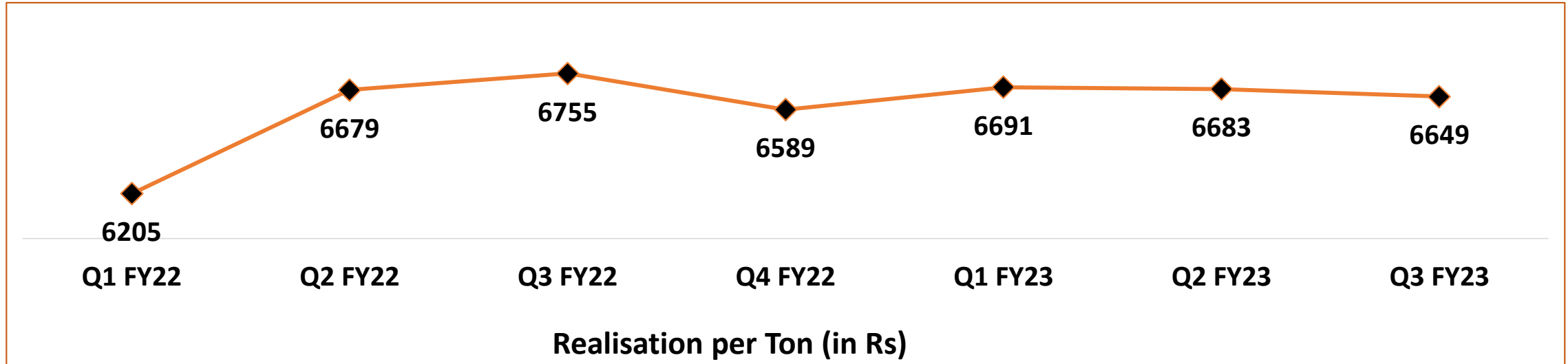
- GT revenue increased by **25%** 9MYoY, **13%** YoY and **4%** QoQ due to :
  - Strategic Planning
  - Contribution from new branches
  - Addition of new customers
  - A Strong Revival in Economy which helped in a growing demand from MSME and Corporates.
- Volumes up by **23%** 9MYoY from 2340082 tons to 2880954 tons, **15%** YoY from 877305 tons to 1009214 tons and **4%** QoQ from 966792 tons to 1009214 tons.
- Realisation per Ton increases by **1.4%** 9M YoY, decreases **1.6%** YoY, & decreases **0.5%** QoQ. Competitive rates offered on Routes connected with New Branches. Increase in freight rates by 5% for non contractual customers from mid Dec-22.
- **127** new Branches added in 9MFY23 and **30** new Branches added in Q3FY23- enhanced VRL Logistics presence in hitherto untapped markets. Focus on Volume Growth is going to continue by Expansion of Branch Network.
- Branches added in 9MFY23 & FY 2021-22 contributed **~12%** of total tonnage in Q3FY23.
- Continued shift of Customer base to VRL from unorganized sector as a result of increase in compliance requirements under GST.



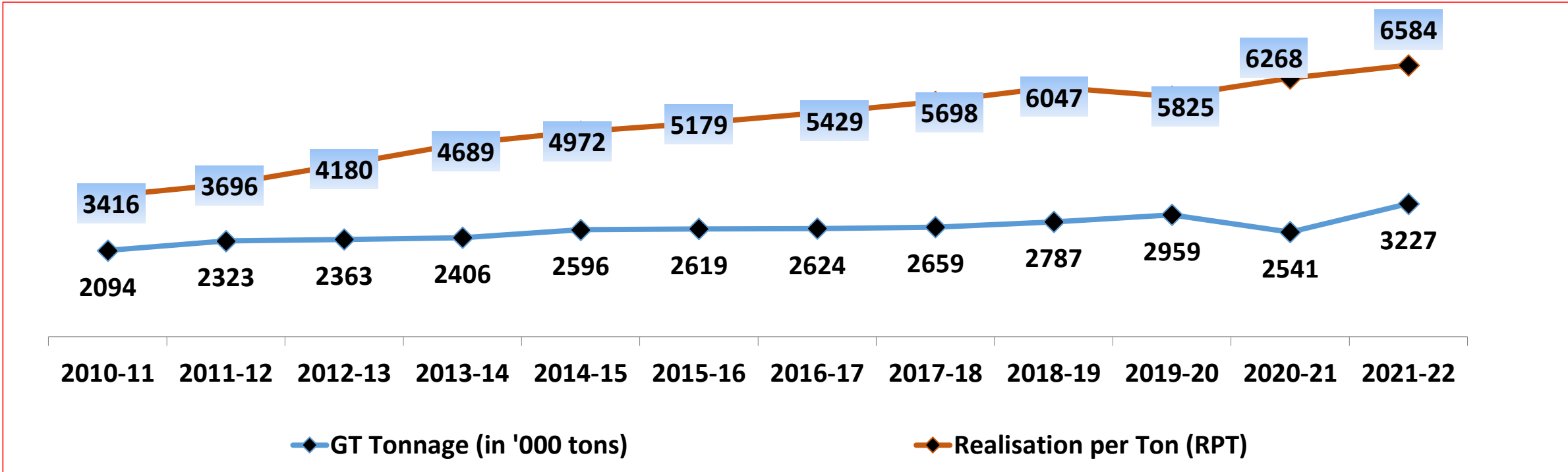
# GT – TONNAGE AND REALISATION



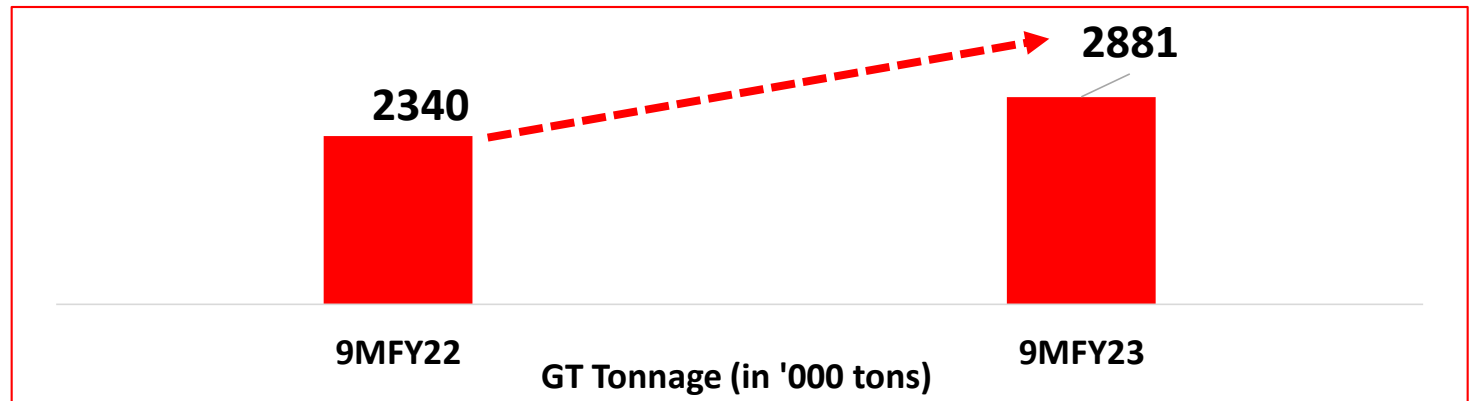
**10900+ TONS SERVICED ON A DAILY BASIS (Q3 FY2023)**



# CONSISTENT GROWTH IN TONNAGE & REALISATION



**9M YoY Tonnage  
increases by 23%**



# GT – PROFITABILITY ANALYSIS

YOY	Q3 FY23	Q3 FY22	Difference (%)	Reasons
	(% to Revenue)			
<b>EBITDA</b>	<b>16.49%</b>	<b>21.47%</b>	<b>(4.98%)</b>	
Fuel cost	30.10%	29.41%	0.69%	<ul style="list-style-type: none"> <li>Procurement from retail fuel pumps increased from 53.83% in Q3FY22 to 92.58% in Q3FY23 as there was an increase in rates for bulk purchase of Diesel from refineries.</li> <li>Compensated by Decline in Fuel procurement costs per litre due to reduction in Excise Duty periodically</li> <li>Bulk Purchase of Fuel restarted from mid Dec 2022</li> </ul>
Lorry Hire	10.20%	8.63%	1.57%	<ul style="list-style-type: none"> <li>Increase in Lorry Hire Kms due to geographical expansion and increase in tonnage.</li> <li>Increase in Lorry Hire charges per Km</li> <li>Increase in hire charges related to last mile collections and deliveries</li> </ul>
Vehicle Running, Repairs & Maintenance	6.40%	6.55%	(0.15%)	<ul style="list-style-type: none"> <li>Increase in Kms covered by New vehicles in overall Kms with lesser maintenance costs.</li> </ul>
Bridge & Toll expenses	7.42%	5.98%	1.44%	<ul style="list-style-type: none"> <li>Increase in number of Toll Plazas, Toll Rates and Increase in Kms by Company owned vehicles</li> </ul>
Hamali (Loading & Unloading Charges)	6.56%	5.92%	0.64%	<ul style="list-style-type: none"> <li>Increase in Loading and Unloading rates per ton</li> </ul>
Employee Cost	14.45%	13.76%	0.69%	<ul style="list-style-type: none"> <li>Annual Increments effected from January 22</li> <li>Increase in number of employees due to addition of new branches</li> </ul>
Other Expenses	8.39%	8.29%	0.10%	<ul style="list-style-type: none"> <li>Rest of all other expenses were fairly under control and increased by 0.06%</li> </ul>
Depreciation	5.70%	5.91%	(0.21%)	<ul style="list-style-type: none"> <li>Reduction in depreciation due to useful life of goods transport vehicles being revised from 8.84 years to 15 years.</li> </ul>
EBIT	10.79%	15.56%	(4.77%)	<ul style="list-style-type: none"> <li>Due to Decline in EBITDA margins</li> </ul>

# GT – PROFITABILITY ANALYSIS

QoQ	Q3 FY23	Q2 FY23	Difference (%)	Reasons
	(% to Revenue)			
<b>EBITDA</b>	<b>16.49%</b>	<b>15.56%</b>	<b>0.93%</b>	
Fuel cost	30.10%	30.43%	(0.33%)	<ul style="list-style-type: none"> <li>Bulk Purchase of Fuel restarted from Dec 15, 2022</li> <li>Constant in Fuel rates.</li> </ul>
Lorry Hire	10.20%	10.16%	0.04%	<ul style="list-style-type: none"> <li>Lorry Hire Charges were under control when compared to Q2FY23, as the required additional kms due to additional tonnage are covered by company vehicles.</li> </ul>
Vehicle Running, Repairs & Maintenance	6.40%	6.63%	(0.23%)	<ul style="list-style-type: none"> <li>More kms covered by New Vehicles resulting in lesser maintainace costs</li> </ul>
Tyres, Flaps and Re-treading	1.99%	2.32%	(0.33%)	<ul style="list-style-type: none"> <li>Increase in efficiency in Tyre usage</li> </ul>
Hamali (Loading & Unloading Charges)	6.56%	6.39%	0.16%	<ul style="list-style-type: none"> <li>Increase in Loading and Unloading rates per ton</li> </ul>
Employee costs	14.45%	14.91%	(0.46%)	<ul style="list-style-type: none"> <li>Being a fixed cost, percentage to revenue declined on account of increase in tonnage and revenue.</li> </ul>
Other Expenses	13.82%	13.59%	0.23%	<ul style="list-style-type: none"> <li>Rest of all other expenses were fairly under control &amp; increased by 0.16%</li> </ul>
Depreciation	5.70%	5.37%	0.33%	<ul style="list-style-type: none"> <li>Due to Increase in Capex</li> </ul>
<b>EBIT</b>	<b>10.79%</b>	<b>10.18%</b>	<b>0.60%</b>	<ul style="list-style-type: none"> <li>Due to Increase in EBITDA</li> </ul>

# BUS OPERATIONS (Discontinued Operations)

The Company has, during the current quarter, executed a Business Transfer Agreement with a promoter group company 'Vijayanand Travels Private Limited' for the sale / transfer of its Bus Operations Business Undertaking (Bus Operations) as a going concern on a slump sale basis for an aggregate sale consideration of ₹ 23000 lakhs based on the approval received from the Board of Directors vide its meeting dated 15 September 2022 and from its shareholders on 31 October 2022. The Company has received an advance of ₹ 22500 lakhs from the buyer against the abovementioned sale consideration. The approval from the relevant regulatory authorities for the sale transaction has been obtained on 25 January 2023 and hence, the profit before tax of ₹ 17690 lakhs on this sale (net of expenses incurred till 31 December 2022 of ₹ 11 lakhs), has not been given effect to in these Financial Results.

Sale of Bus Operations– considered as “Assets held for sale” as on 31.12.2022

Rupees in Lakhs	Q3		YoY	Q2	QoQ	9MFY23	9MFY22	YoY
	FY23	FY22	Growth (%)	FY23	Growth (%)			Growth (%)
Revenue	8732	7483	17%	7322	19%	25840	14267	81%
EBITDA	1882	1108	70%	381	394%	4258	757	462%
Margin (%)	22%	14.8%		5%		16%	5%	
EBIT	1569	775	102%	20	7822%	3290	(232)	1518%
Margin (%)	18.0%	10%		8%		13%	(2%)	

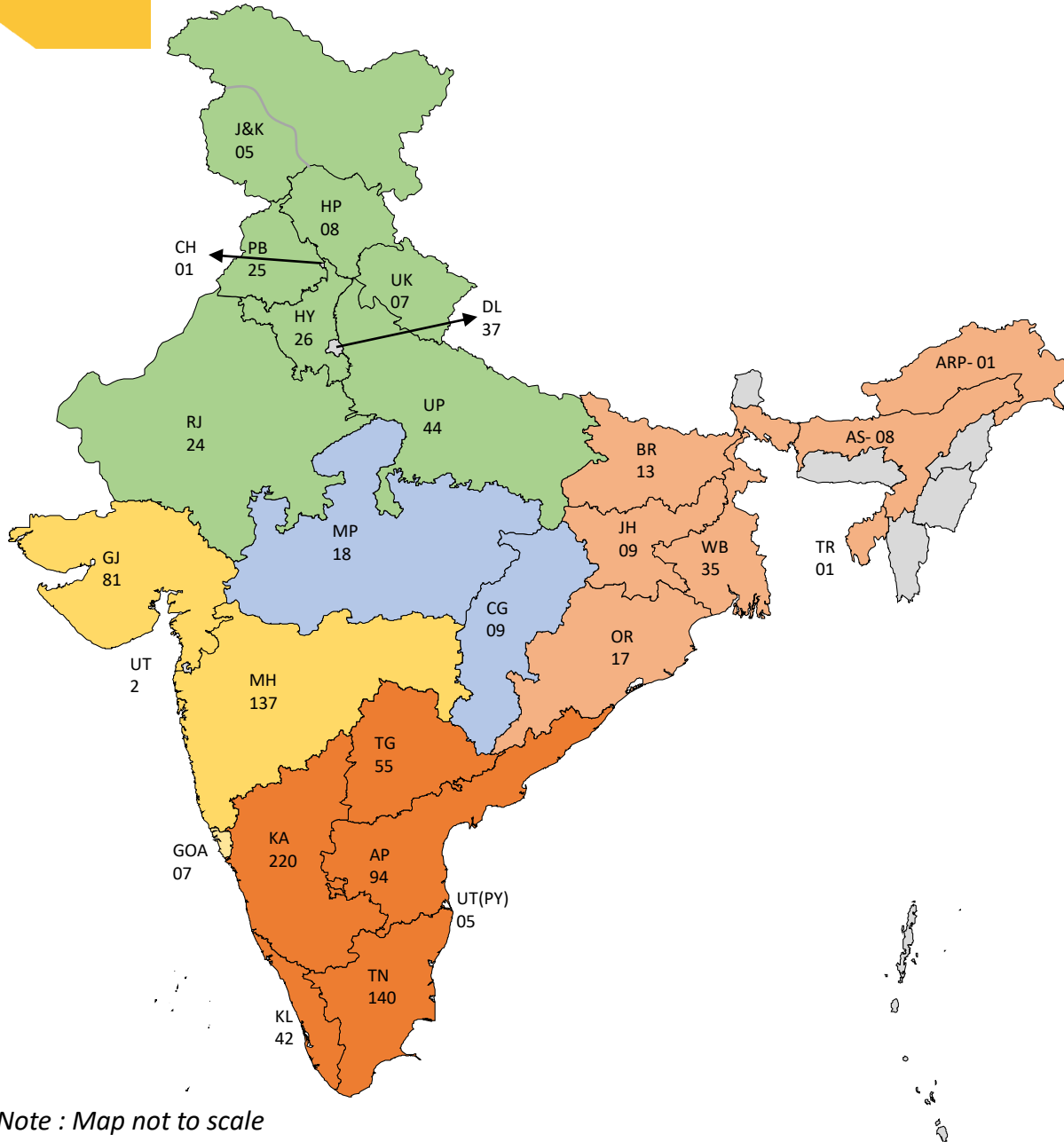
# SALE OF POWER

The Company had, during the previous quarter, executed a Business Transfer Agreement for the sale / transfer of its Wind Power Business Undertaking (Sale of Power) as a going concern on a slump sale basis for an aggregate sale consideration of ₹ 5285 lakhs. The approval from the relevant regulatory authorities for the sale transaction has been obtained on 10 January 2023 and hence, the profit before tax of ₹ 1034 lakhs on this sale (net of expenses incurred till 31 December 2022 of ₹ 6 lakhs), has not been given effect to in these Financial Results.

Sale of Wind Power Business Undertaking– considered as “Assets held for sale” as on 31.07.2022, thereby eliminating contribution from this segment from August 2022



# GT NETWORK



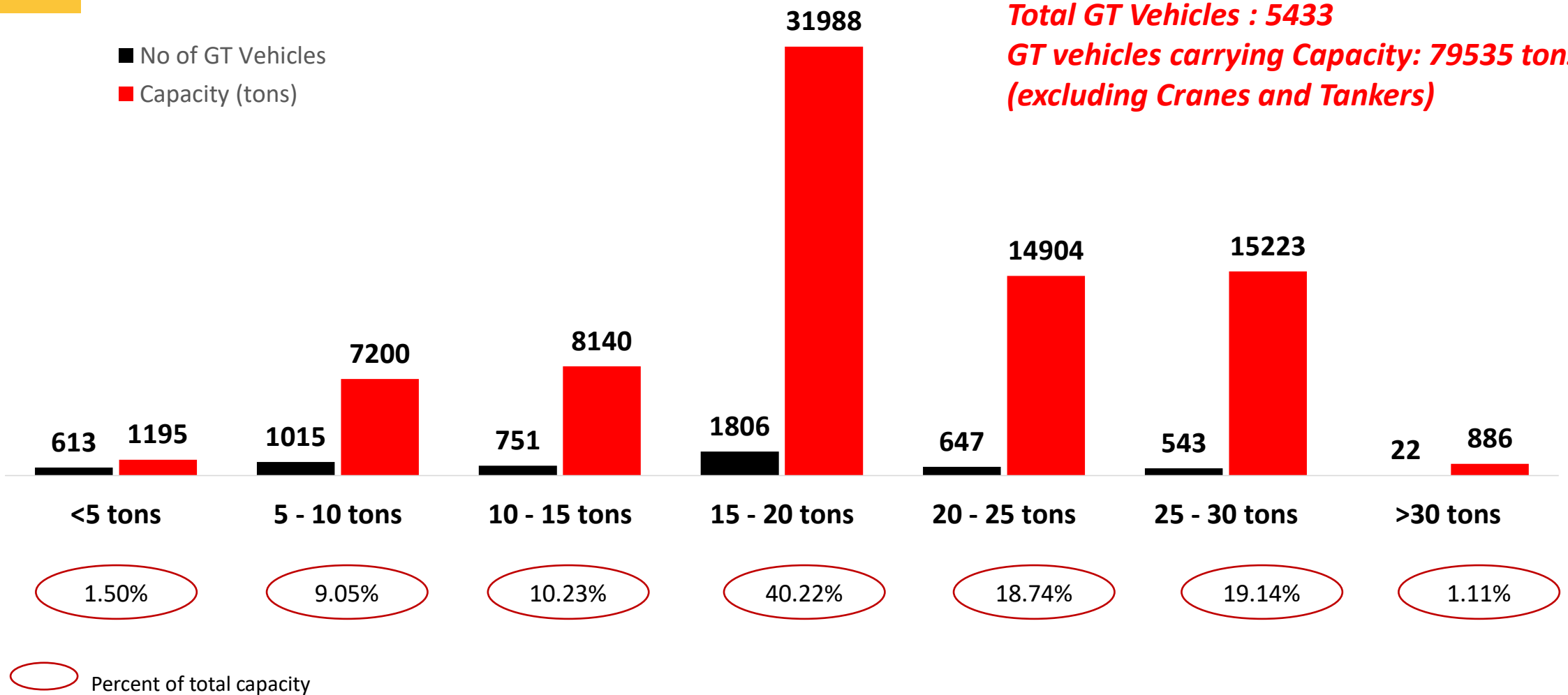
Note : Map not to scale

- Market Leader In LTL Segment
- Hub & Spoke Model
- Focus on Geographical Expansion.
- **127** Branches Added in 9MFY23

## Operations:

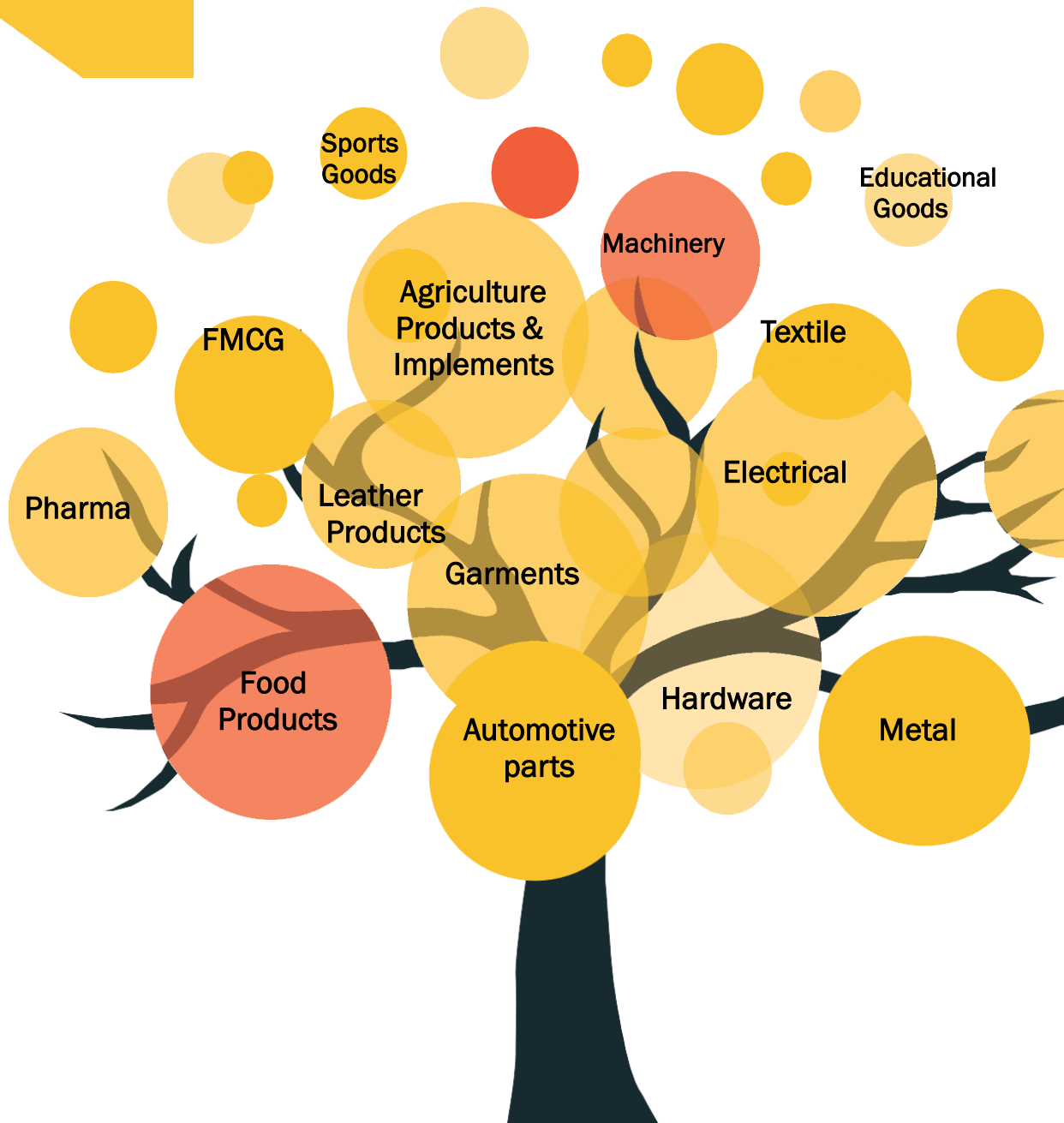
- **23** States & **4** Union Territories
- **1070** Branches
- **47** Strategically Placed Hubs

# GT VEHICLES & CAPACITY



VRL has 1294 vehicles > 15 years, as of December 31, 2022 with a total capacity of 14695 tons, whereas VRL has been continuously adding New Capacity.

# GT WIDE RANGE OF SECTORS SERVED



Expertise In Handling Variety Of Commodities

Diversified B2B Customer Base Across Wide Range of Industries

No single customer contributing over ~1% of Total Revenue

Contribution from Top 10 customers accounts hardly ~3% of total Goods transportation business

Storage facility available in all our Delivery branches

Lowest Bad Debts and Hassle Free Claim Settlement in the Industry

# KEY DEVELOPMENTS

Addition of 127 new branches in 9MFY23. 68 new branches added in Q1FY23, 29 new branches added in Q2FY23 & 30 new branches added in Q3FY23 . Closed : 13 branches. Total number of branches as on 30.09.2022 is 1070.

Expansion of existing TPT / Branch Area and increasing Branch Density in Key Markets like Pune, Ahmedabad, Raipur, Salem, Chennai, Kanpur, Delhi, Kolkata, Patna, Guwahati, Siliguri, Cuttack, etc.

Number of GT Vehicles increased from 4816 vehicles in FY22 to 5433 vehicles in 9MFY23. Total New GT vehicles added in 9MFY23- 883 vehicles (Vehicles added in Q1FY23- 312, Q2FY23– 248, Q3FY23– 323), Sold/scrapped – 266 vehicles, Net vehicle addition in 9MFY23 is 617 vehicles.

Bulk Purchase of Fuel restarted from Dec 15, 2022. Procurement of Bulk purchase to increase henceforth from December 2022

Increase in freight rates by 5% for non contractual customers from Mid-December 2022

CAPEX of Rs. 27620.72 lakhs was incurred in 9MFY23 out of which GT segments capex was 25248.98 lakhs

CAPEX of Rs. 10693.38 lakhs was incurred in Q3FY23 out of which GT segments capex was 9990.05 lakhs

# KEY DEVELOPMENTS

Long Term ICRA Credit Rating improved to A+ (positive) from A+(stable)

Management is focusing on high growth and high margin Goods transport segment as evident from exiting  
**1. Bus Operations 2. Wind Power segment 3. Sale of an Aircraft**

Business Transfer Agreement- Bus Operations has been executed as on 29.12.2022. Consideration and Approval from relevant Regulatory Authorities received as on date

Sale of Wind Power Business Undertaking– considered as “Assets held for sale” as on 31.07.2022, thereby eliminating contribution from this segment from August 2022

Net debt decreased from Rs. 12989.88 lakhs as on Mar 31, 2022 to Rs. 4569.69 lakhs as on 31.12.2022. Consideration from sale of Business units predominantly used for repayment of debts.

**94.2%** of the GT vehicles are debt free

The Board of Directors has approved a proposal to buy back up to 8,75,000 fully paid up equity shares having a face value of ₹ 10 each at a price of ₹ 700 per Equity Share (“Buyback Price”) for an amount not exceeding ₹ 6,125 lakhs through the tender offer route

Continued focus on higher margin GT segment

Focus on increasing Geographic presence of GT Business in hitherto untapped markets

Priority to Volume Growth. Increase in Freight Rates as & when required

Well positioned to conclude planned fleet addition





**THANK YOU**

**For Further discussions or Queries, Please contact**

**Sunil Nalavadi**  
**Chief Financial Officer**  
**+91 93425 59298**  
**[cfo@vrllogistics.com](mailto:cfo@vrllogistics.com)**