VRL LOGISTICS LIMITED

CELEBRATING 50 YEARS OF TRUST

ANNUAL REPORT 2025-26

OUR VISION

To become the Premier Company in the country's Surface Logistics Industry and emerge as the torchbearer of this business in India.

OUR MISSION

To provide the highest quality service to our customers by continuously increasing service quality and maintaining delivery deadlines. To encourage our workforce to continuously strive for quality and excellence in everything they do. To promote team work and create work environment that encourages talent and brings out the best in our employees.

QUALITY POLICY

We are committed to provide quality logistics services consistently at reasonable price and to continuously improve the same to achieve customer delight on a sustained basis.

Hubballi Head Office

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DISCLAIMER

This Annual Report may contain certain forward looking statements. Although the Company believes its expectations are based on reasonable assumptions, any such statements may be influenced by factors that could cause actual outcomes and results to be materially different from those predicted. These forward looking statements are subject to numerous risks and uncertainties that could cause actual results to differ materially from those in such statements, many of which are beyond the control of the Company including, among other things, changes in general economic conditions, exchange rate fluctuations, fuel price fluctuations, the impact of business conditions in the Indian market, including those related to competition, price controls and price reductions, exposure to environmental liability, regulatory requirements, geopolitical risks and the like.

COMPANY INFORMATION

BOARD OF DIRECTORS

Dr. Vijay Sankeshwar
Chairman and Managing Director

Dr. Anand Sankeshwar
Managing Director

Mr. L R Bhat
Executive Director

Mr. Shankar Pinge
Independent Director

Dr. D. V. Guruprasad
Independent Director

Mr. Shantilal Jain
Independent Director

Mr. Virupaxagouda A Patil
Independent Director

Mr. Vinay J. Javali
Independent Director

Dr.(Mrs.) Shailaja Ambli
Independent Director

Mr. Shiva Sankeshwar
Non-Executive Director

Dr. Raghottam Akamanchi
Non-Executive Director

Dr. Ashok Shettar
Non-Executive Director

Mr. Sunil Nalavadi
Chief Financial Officer

Mr. Aniruddha Phadnavis
Company Secretary & Compliance Officer

BOARD COMMITTEES

AUDIT COMMITTEE
Mr. Shantilal Jain - Chairman
Mr. Shankar Pinge
Mr. Vinay J. Javali

FINANCE COMMITTEE
Dr. Vijay Sankeshwar - Chairman
Dr. Anand Sankeshwar
Dr. Raghottam Akamanchi

STAKEHOLDERS RELATIONSHIP COMMITTEE
Mr. Shankar Pinge - Chairman
Mr. Shantilal Jain
Dr. Raghottam Akamanchi

NOMINATION & REMUNERATION COMMITTEE
Mr. Shantilal Jain - Chairman
Dr. D. V. Guruprasad
Dr. Ashok Shettar
Dr.(Mrs.) Shailaja Ambli

CSR COMMITTEE
Dr. Vijay Sankeshwar - Chairman
Dr. Anand Sankeshwar
Mr. Vinay J. Javali
Mr. Virupaxagouda A Patil

ADMINISTRATION COMMITTEE
Dr. Vijay Sankeshwar - Chairman
Dr. Anand Sankeshwar
Mr. L R Bhat

RISK MANAGEMENT COMMITTEE
Dr. Vijay Sankeshwar - Chairman
Dr. D. V. Guruprasad
Mr. L R Bhat
Mr. Sunil Nalavadi
Mr. Raghavendra Malgi - Vice President (Accounts)

REGISTERED OFFICE
RS. No.351 /1, Varur, Post Chabbi,
Taluk Hubballi, District Dharwad,
Hubballi - 581 207, Karnataka
Phone: 0836-2237613,
Fax: 0836-2237614
E-mail: varurho@vrllogistics.com
Website: www.vrlgroup.in

CORPORATE OFFICE
Giriraj Annexe, Circuit House Road
Hubballi - 580 029,
Karnataka
Phone: 0836-2237511
Fax: 0836-2256612
E-mail: headoffice@vrllogistics.com

STATUTORY AUDITORS
M/s Walker Chandiok & Co LLP
Chartered Accountants
Mumbai

SECRETARIAL AUDITOR
Mr. R Parthasarathy
Practicing Company Secretary
Bengaluru

REGISTRAR & TRANSFER AGENTS
Kfin Technologies Limited.
Selenium Tower B,
Plot No. 31 & 32,
Gachibowli, Financial District,
Nanakramguda, Hyderabad - 500 032

BANKERS
SVC Co-operative Bank Ltd.
ICICI Bank Ltd.
Kotak Mahindra Bank Ltd.
Axis Bank Ltd.
HDFC Bank Ltd.
State Bank of India
Bank of Baroda

LEGAL ADVISOR
Mr. R B Gadagkar
Advocate

INTERNAL AUDITORS
Malavade & Co.
Chartered Accountants
Hubballi

CHAIRMAN'S MESSAGE

Dear Members,

I take immense pride in presenting to you the 43rd Annual Report of VRL Logistics Limited for the financial year 2025-26. Writing this letter marks a deeply nostalgic milestone for me. This year marks exactly 50 years since I embarked on this journey in 1976 with just a single truck. To witness a tiny local operation evolve into India's largest private sector commercial fleet owner is a testament to the power of focus, perseverance, and the collective trust of our ecosystem.

I want to begin by expressing my heartfelt gratitude to our valued shareholders, loyal customers, dedicated employees, and long standing partners. Your unwavering faith in the VRL brand continues to be the ultimate driving force keeping us moving forward on Indian highways.

Refining Focus on Core Competencies

Over the last few years, your company underwent deliberate structural changes. We successfully hived off our non-core assets, including our Wind Power business, Bus Operations, and Passenger Air Transport. Today, VRL operates exclusively within the Goods Transportation domain. This razor sharp focus on our foundational core competency, being less than truckload (LTL) and general parcel movement has completely shielded us from peripheral market volatility and allowed us to maximize management bandwidth.

Navigating Market Realities and Financial Performance

The fiscal year 2025-26 threw its fair share of challenges at the logistics sector, characterized by competitive pricing and localized volume moderation. In response, we prioritized fiscal discipline over empty volumes. Over the last two years, we undertook a vital restructuring of select corporate contracts and voluntarily exited low-margin, unremunerative businesses.

While this strategic pruning caused short-term volume stabilization, it significantly optimized our operational yield. Backed by our robust cost effective methodologies enabled by economies of scale and specifically our inhouse information technology capabilities, our structural cost advantages remained untouched. Consequently, VRL maintained healthy EBITDA margins, proving that a lean, focused operation can maintain profitability even during shifting market tides.

I continue to undertake visits across India to review the ground level operations with the senior management team. These visits have resulted in initiating several new approaches to facilitate direct movement of consignments reducing multiple handling as also an overall improvement in the service levels to customers. Though your company has the best-in-class IT environment such ground visits do enable the implementation of new perspectives for overall efficiency enhancement. Such visits also help build a stronger rapport with the middle management and serve as a motivation to them to perform better. Our team will continue to strive with a 'profitable volume growth' motto while building healthy business relations with newer customers and a more focused engagement with existing ones.

Pioneering a Sustainable Future

As a market leader, your company remains heavily conscious of its environmental footprint. We continue to aggressively expand our transition toward alternative and clean energy fuels, expanding our reliance on green equipment and reduced carbon footprint driven initiatives. Furthermore, proactively adapting to national regulatory changes remains a core business strategy. We are continuing our proactive capital expenditures toward establishing a state of the art vehicle scrappage unit at our centralized facility in Varur (Hubballi, Karnataka). This facility is uniquely positioned to handle both our own maturing fleet requirements and external commercial vehicles, turning a strict compliance directive into a positive cash-flow opportunity.

I believe one of our most prudent decisions this term and going ahead would be to pivot strategically towards property ownership. By redirecting our cash flows into acquiring assets in strategic locations rather than losing them to rent and GST, we are converting recurring operational outflows into lasting equity. This shift yields immediate cost savings while securing long-term value appreciation and shielding us from future lease inflation. For an asset-heavy enterprise, this portfolio strengthens our balance sheet and reinforces our financial resilience. Ultimately, it is a deliberate investment in the stability and growth of the company we are building for the future.

Looking Ahead

We enter our next decade with an exceptionally strong balance sheet, an optimized branch network, and a significantly debt-free fleet profile that is unmatched in the industry. As formal e-invoicing thresholds tighten across India, the structural shift from unorganized transporters to institutional giants like VRL will continue to accelerate. We are fully prepared to capture this growth. I have a lot of faith and confidence on the management team of your company. The leadership of tomorrow is competent enough and well equipped to propel the Company to newer heights in the coming era.

Thank you for being part of this remarkable 50 year journey. We look forward to scaling new heights together.

Warm regards,

DR. VIJAY SANKESHWAR

CHAIRMAN & MANAGING DIRECTOR

VRL LOGISTICS LIMITED

Regd. Office: RS No. 351/1, Varur, Post Chabbi, Taluk Hubballi,
District Dharwad, Hubballi (Karnataka) - 581 207
(18th KM, NH-4, Bengaluru Road, Varur)
Tel: 0836 2237613, Fax: 0836 2237614, Email: investors@vrllogistics.com
CIN: L60210KA1983PLC005247, Website: www.vrlgroup.in

NOTICE

NOTICE is hereby given that the Forty Third Annual General Meeting of **VRL Logistics Limited ("Company" or "VRL")** will be held on Tuesday, August 4, 2026 at 1:00 p.m. at the Registered Office of the Company situated at RS No.351/1, Varur, Post Chabbi, Taluk Hubballi, District Dharwad, Hubballi – 581 207 Karnataka to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements as at 31st March 2026 together with the report of the Auditors thereon.
2. To appoint a director in the place of Mr. L R Bhat (DIN: 01875068) who retires by rotation and being eligible, offers himself for re-appointment
3. To appoint a director in the place of Dr. Raghottam Akamanchi (DIN: 07038738) who retires by rotation and being eligible, offers himself for re-appointment.
4. To confirm interim dividend paid as the final dividend for the financial year ended 31st March, 2026.

SPECIAL BUSINESS

5. **Re-appointment of Dr. Vijay Sankeshwar (DIN 00217714), as Chairman and Managing Director**

To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 198 and 203 read with Schedule V of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and all other applicable provisions, if any, including any statutory modification or re-enactment thereof for the time being in force, Regulation 17 (6) (e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Articles 93, 94 & 97 of the Articles of Association of the Company, consent of the shareholders be and is hereby accorded for the re-appointment of Dr. Vijay Sankeshwar, aged 76, as the Chairman & Managing Director of the Company for a period of five years with effect from 1st January, 2027, on monthly remuneration not exceeding Rs.40,00,000/-, inclusive of perquisites, plus commission not exceeding 0.75% of net annual profits of the Company, such remuneration being fixed for an initial period of 3 years of such re-appointment, and on such other terms and conditions as per the agreement to be entered into between the Company and Dr. Vijay Sankeshwar, a draft copy of which is placed before the meeting and initialed by the Chairman for the purpose of identification;

RESOLVED FURTHER THAT the aforesaid remuneration be construed as minimum remuneration in the absence of profits/inadequate profits, in compliance with Schedule V of the Companies Act, 2013, subject to no Commission being payable in such case;

RESOLVED FURTHER THAT pursuant to the Articles of Association of the Company, Dr. Vijay Sankeshwar shall not be subject to retirement by rotation;

RESOLVED FURTHER THAT any one of the Directors of the Company and the Company Secretary be and are hereby severally authorized, to take such steps as may be necessary, desirable or expedient to give effect to this resolution, including filing of e-forms with MCA/ the Registrar of Companies."

6. **Approval for continuation of directorship of Mr. Virupaxagouda Patil (DIN: 10395538) as Non-Executive Independent Director upon attaining the age of 75 years**

   To consider and if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution:**

   "**RESOLVED THAT** pursuant to Regulation 17(1A) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment(s) thereof, consent of shareholders be and is hereby accorded for the continuation of directorship of Mr. Virupaxagouda Patil (DIN: 10395538) as a Non-Executive Independent Director of the Company, who will be completing the age of 75 years on July 1, 2027.

   RESOLVED FURTHER THAT any one of the Directors of the Company and the Company Secretary, be and are hereby severally authorized, to take all necessary steps, including but not limited to, filing the relevant forms with the Registrar of Companies, intimating the Stock Exchanges under Regulation 30 of the SEBI (LODR) Regulations, 2015, and doing all such acts, deeds, and things as may be necessary to give effect to the above resolutions."

By order of the Board of Directors
For **VRL LOGISTICS LIMITED**

ANIRUDDHA PHADNAVIS
Company Secretary & Compliance Officer
Date: July 11, 2026
Place: Hubballi

NOTES

PROXY RELATED

1. A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend, and on a poll, to vote instead of himself/herself and such proxy need not be a member of the company.
2. Proxies, if any, in order to be effective, must be received at the Company's Registered Office not later than 48 (Forty-Eight) hours before the time of the meeting. Proxies submitted on behalf of companies & other entities must be supported by appropriate resolution / authority, as applicable. During the period beginning 24 hours before the time fixed for the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided not less than three days of advance notice in writing is given to the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty in number and holding in aggregate not more than ten percent of the total share capital of the Company. 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.

E-VOTING RELATED

4. In compliance with Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide the facility of remote e-voting to its shareholders. The complete instructions on e-voting facility provided by the Company are annexed to this Notice, explaining the process of e-voting. Such remote e-voting facility is in addition to the voting that may take place at the Annual General Meeting ('AGM') on August 4, 2026.
5. Corporate Members intending to send their authorized representative to attend the meeting are requested to send to the Company a duly certified true copy of the Board Resolutions/letter of authority, authorizing their representative(s) to attend and vote on their behalf at the AGM.
6. Any member proposing to seek any clarification on the accounts is requested to send queries to the Company at its registered office at least seven days prior to the date of AGM to enable the management to compile the relevant information to reply the same in the meeting.
7. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner as on the cut-off date i.e. July 28, 2026.
8. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. July 28, 2026 only shall be entitled to avail the facility of remote e-voting/voting at the AGM.
9. The remote e-voting facility will be available during the following period:

   Commencement of remote e-voting: 9.00 a.m. (IST) on August 1, 2026.

   End of remote e-voting: 5.00 p.m. (IST) on August 3, 2026.

   The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled upon expiry of the aforesaid period.
10. The Board of Directors has appointed Mr. Akshay Pachlag, Practicing Company Secretary (Membership No.30741, COP No: 11710) as a Scrutinizer to scrutinize the voting process in a fair and transparent manner. The Scrutinizer, after scrutinizing the votes cast at the meeting and through remote e-voting, will, not later than 48 hours of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.vrlgroup.in and on the website of the Registrar and Transfer Agent ("RTA") https://evoting.kfintech.com. The results shall simultaneously be communicated to the Stock Exchanges.

INSPECTION OF DOCUMENTS RELATED

11. The Register of Directors' and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which the directors are

interested, maintained under Section 189 of the Companies Act, 2013, and a copy of Company's MOA and AOA will be available for inspection by the members during the Annual General Meeting of the Company.

12. The said Notice of AGM along with the Annual Report, Attendance Slip and Proxy Form have been sent to the Members whose names are recorded in the Register of Members / Register of Beneficial owners as on July 10, 2026, by permitted / requisitioned mode individually at their registered postal address / sent electronically to their e-mail address available with the Company or with the Depository Participant(s).

13. The Notice calling the 43rd AGM has been uploaded on the website of the Company in the Investor Desk Section under Notice, Forms & Voting results tab. The Annual Report is also available under the Financial Results under the Annual Reports tab. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Ltd. at www.bseindia.com and www.nseindia.com respectively.

14. Members are requested to bring their copies of Annual Report to the Meeting. In order to enable us to register your attendance at the venue of the Annual General Meeting, members are requested to please bring their DP ID-Client ID to enable us to provide a duly filled attendance slip for your signature and participation at the meeting.

15. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

16. Members are requested to write their Client ID and DP ID in the attendance slip for attending the Meeting to facilitate identification of membership at the meeting.

17. Members who would like to receive notices, letters, annual reports, documents and any other correspondence by electronic mode are requested to register their email addresses and changes therein, from time to time with their respective Depository Participants ('DP's').

PAN, KYC DETAILS AND NOMINATION UPDATE

18. The Members are requested to:

    a. Notify immediately any change in their registered address to their DP's in respect of their holdings in electronic form.

    b. Immediately inform their respective DP's of the change in residential status on return to India for permanent settlement - applicable to Non-Resident Indian Members.

    c. Register their email address/bank details/mobile number and changes therein from time to time with their respective DP's.

    d. Quote their DPID & Client ID in all correspondence, including dividend related matters to the Registrar and Share Transfer Agents, KFin Technologies Limited, (Unit: VRL Logistics Ltd.), Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana, India - 500 032 ("KFin").

    e. Any person, who acquires shares of the Company and become a member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e., July 28, 2026 may obtain the login id and password by sending a request at evoting@kfintech.com.

19. In accordance with the provisions of Section 72 of the Companies Act, 2013, read with Rule 19(1) of the Rules made thereunder, members are entitled to specify nominations in respect of the Equity Shares held by them.

20. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they maintain their demat accounts.

21. In support of the Green initiative by Ministry of Corporate Affairs and pursuant to section 101 of the Companies Act 2013 and Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, electronic copy of the Annual Report is being sent to all Members whose email ID's are registered with the Depository Participants for communication purposes. A letter mentioning the web-link to access the Annual

Report has been sent to the shareholders who have not registered their email id. Printed copy of the Annual report would be sent to members who requisition for such hard copy.

IEPF RELATED

22. Members are requested to note that as per Section 124(5) of the Companies Act, 2013, dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to the unclaimed dividend account, is liable to be transferred to the “Investor Education Protection Fund” (IEPF) established by the Central Government under the provisions of Section 125 of the Companies Act, 2013.

GENERAL INSTRUCTIONS FOR MEMBERS/PROXIES

23. In terms of Article 100 of the Articles of Association of the Company, Mr. L R Bhat, Whole-Time Director and Dr. Raghottam Akamanchi, Non-Executive Director retire by rotation and being eligible, offer themselves for re-appointment.

24. Information required under Regulation 36 of SEBI Listing Regulations in relation to Directors seeking re-appointment at the AGM is furnished as Annexure to this Notice. The Directors have furnished the requisite declarations for their re-appointment as required under the extant law.

25. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify their respective DPs of any change in address or demise of any member as soon as possible. Members are advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

26. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, individual shareholders holding securities in demat mode are allowed to vote through their demat accounts. Shareholders are required to update their mobile number and e-mail ID correctly in their demat account in order to access such e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Individual Shareholders holding securities in demat mode with NSDL	Individual Shareholders holding securities in demat mode with CDSL
1. User already registered for IDeAS facility: a. Visit URL: https://eservices.nsdl.com/ b. Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section. c. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting" d. Click on the e-Voting service provider name KFINTECH and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period. **2. User not registered for IDeAS e-Services** a. To register click on link : https://eservices.nsdl.com b. Select "Register Online for IDeAS" or click at: https://eservices.nsdl.com/ c. Proceed with completing the required fields. d. Follow steps given in point 1. **3. Alternatively by directly accessing the e-Voting website of NSDL** a. Open URL: https://www.evoting.nsdl.com/ b. Click on the icon "Login" which is available under 'Shareholder/ Member' section. c. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. d. Post successful authentication, you will be requested to select the name of the Company and the e-Voting Service Provider name, i.e. KFin. e. On successful selection, you will be redirected to KFin e-Voting page for casting your vote during the remote e-Voting period.	**1. Existing user who have opted for Easi / Easiest** a. Visit URL: https://web.cdslindia.com/myeasitoken/home/login or URL: www.cdslindia.com b. Login with your registered username and password. c. The user will see the e-Voting Menu at the top of website. d. Upon selecting the e-voting menu, name of the company having ongoing or upcoming events will be visible, in case the name is not visible select "KFIN" under ESP's. e. Click on "e-Voting/ Join meeting" option beside Company name in ongoing event, this will redirect you to KFintech e-Voting portal. f. Cast your vote. **2. User not registered for Easi/ Easiest** a. Option to register is available at https://web.cdslindia.com/myeasitoken/Home/EasiRegistration b. Proceed with completing the required fields. c. Follow the steps given in point 1 **3. Alternatively, by directly accessing the e-Voting** website of CDSL a. Visit URL: www.cdslindia.com b. Provide your demat Account Number and PAN. c. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. d. After successful authentication, user will be provided links for the respective ESP, i.e. KFin where the e-Voting is in progress.

Individual Shareholders can login through their demat accounts / Website of Depository Participant

1. You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility.
2. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature.
3. Click on options available against company name or e-Voting service provider – Kfin and you will be redirected to e-Voting website of KFin for casting your vote during the remote e-Voting period without any further authentication.

Important note:

Members who are unable to retrieve User ID / Password are advised to use "Forgot user ID" and "Forgot Password" option available on the above-mentioned websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

NSDL	CDSL
Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30	Members facing any technical issue in login can contact CDSL helpdesk by sending email request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43/1800-21-09911

TDS RELATED INSTRUCTIONS FOR MEMBERS ON DIVIDEND

Pursuant to section 393 of the Income-tax Act, 2025 (**'the Act'**), dividend declared, paid or distributed by a Company shall be taxable in the hands of the shareholders. The Company shall, therefore, be required to deduct TDS/ WHT at the time of payment of dividend at the applicable tax rates. The rates of TDS/ WHT would depend upon the category and residential status of the shareholder as briefed hereunder:

RESIDENT SHAREHOLDERS:

No TDS under Section 393 of the Income Tax Act, 2025 will be deducted on payment of dividend to Resident Individual Shareholders if the total dividend, paid during Tax Year (**'TY'**), does not exceed Rs. 10,000/- (Ten Thousand Only).

TDS for Resident Shareholders other than Resident Individual Shareholders receiving Dividend during the Tax Year as summarized below:

Sl. No.	Particulars	Withholding Tax Rate/TDS	Declaration(s)/Document(s) Required
1	In case of Valid PAN is updated with the Depository Participant if the shares are held in dematerialized form; or Registrar and Transfer Agent ('RTA') and in case of shares are held in physical form and no exemption will be sought by Resident Shareholder.	10%	Not Applicable
2	In case of Invalid PAN with the Depository Participant if the shares are held in dematerialized form; or RTA in case shares are held in physical form and no exemption sought by Shareholder	20%	Not Applicable
3	In case of availability of lower/ nil tax deduction certificate issued by Income Tax Department under section 395 of the Income Tax Act, 2025	Rates specified in Lower Tax withholding certificate obtained from the Income Tax Department	• Copy of the Pan Card; • Copy of Lower Tax withholding certificate

No tax would be deducted on the dividend payment to Resident Shareholders if the Shareholders submit documents mentioned in the below table to the Company/ Registrar and Share Transfer Agent:

Sl. No.	Particulars	Declaration(s)/Document(s) Required
1	An Individual furnishing Form 121	• Copy of PAN card • Declaration in Form No 121 (applicable to eligible resident individuals whose estimated total income results in nil tax liability), fulfilling the prescribed conditions.
2	Shareholders/Members to whom section 393 of the Act does not apply such as LIC, GIC, etc.	• Copy of PAN card • Self-declaration* along with adequate documentary evidence (e.g., registration certificate) to the effect that the no tax withholding is required as per provisions of section 393 of the Act.
3	Shareholder covered u/s 393 of the Act, such as Government, RBI, Mutual Funds specified under section 11 read with Schedule VII, corporations established by Central Act and exempt from Income Tax.	• Copy of PAN card • Self-declaration* along with adequate documentary evidence substantiating applicability of exemption provision under the Act.
4	Category I and II Alternative Investment Fund (AIF)	• Copy of PAN card • Self-declaration* that the AIF is an 'investment fund' as defined under Section 224 of the Act, and that its income is exempt under Schedule V of the Act, along with a copy of its SEBI registration certificate.
5	Any other entity exempt from withholding tax under the provisions of section 395 of the Act (including those mentioned in Circular No. 18/2017 issued by CBDT)	• Copy of PAN card • Self-declaration* along with adequate documentary evidence, substantiating the nature of the entity. • Copy of the lower tax withholding certificate obtained from Income Tax Department (except those covered by Circular 18/2017)

NON-RESIDENT SHAREHOLDERS:

Details of documentation required for Tax deductible at source/ tax withholding for the Non-Resident Shareholder are summarized below:

Sl. No.	Category	Withholding Tax Rate/ TDS	Declaration(s)/Document(s) Required
1	Foreign Institutional Investors (FIIs)/ Foreign Portfolio Investors (FPIs).$	20% (plus applicable surcharge and cess) or tax treaty rate whichever is beneficial.	• Copy of PAN card (if available) • Self-declaration* along with adequate documentary evidence substantiating the nature of the entity. • To get the beneficial rate of tax treaty, tax documents as mentioned in Point. No. 3 below would be required to be submitted.
2	Alternative Investment Fund – Category III located in International Financial Services Centre.	10% (plus applicable surcharge and cess).#	• Copy of PAN card (if available) • Self-declaration* along with adequate documentary evidence substantiating the nature of the entity.

3	Other Non-resident shareholders (except those who are tax residents of Notified Jurisdictional Area).	20% (plus applicable surcharge and cess) or tax treaty rate whichever is beneficial.	To get the beneficial rate of tax treaty following tax documents would be required: • Copy of PAN card (if available) • Copy of Valid Tax Residency certificate (TRC) issued by revenue authority of country of residence. of shareholder Self-declaration* in Form 41 prescribed under section 159(8) of the income tax act 2025. • Self-declaration* for no permanent establishment/ fixed base/ business connection in India, place of effective management, beneficial ownership and eligibility to avail tax treaty benefit [on shareholder's letterhead] (Note: Application of beneficial Tax Treaty Rate shall depend upon the completeness and satisfactory review by the Company of the documents submitted by the non-resident shareholders. In case the documents are found to be incomplete, the Company reserves the right to not consider the tax rate prescribed under the tax treaty).
4	Non-Resident Shareholders who are tax residents of Notified Jurisdictional Area as defined u/s 176(1) of the IT Act, 2025.	30% plus applicable surcharge and cess.	Not Applicable
5	Sovereign Wealth funds and Pension funds notified by Central Government under Schedule V (Table serial no.7) read with Section 224 of the Act.	NIL	• Copy of the notification issued by CBDT and Central Government recognizing the fund (under the erstwhile section 10(23FE) of the Income-tax Act, 1961, or any corresponding notification under the Income-tax Act, 2025) evidencing the fund's eligibility for exemption. • Self-declaration* and Registration/ incorporation documents of the fund, Tax Residency Certificate (TRC), Form 41, Beneficial Ownership Declaration, No Permanent Establishment (PE) Declaration in India and PAN (if available/applicable) that the conditions specified in Serial No. 7 of Schedule V of the Income-tax Act, 2025 have been complied with.
6	Availability of Lower tax deduction certificate issued by Income Tax Department u/s 395 of the IT Act, 2025.	Rate specified in Lower tax withholding certificate obtained from IT Department.	• Copy of the lower tax withholding certificate obtained from Income Tax Department.

** Copies of self - declarations can be emailed to investors@vrllogistics.com.*

 # In case PAN is not updated with the Company's RTA or depository or PAN is not available and information sought in the declaration is not provided, Higher rate of withholding tax shall be applied as per applicable provisions of Section 393 / Section 395 / Section 176 read with applicable rules, and resulting statements shall be processed under Section 399.

$ In case of Foreign Institutional Investors / Foreign Portfolio Investors, tax will be deducted under Section 393 of the IT Act @ 20% (plus applicable surcharge and cess) or the rate provided in relevant Double Tax Avoidance Agreement (DTAA), read with Multilateral Instrument (MLI), whichever is more beneficial, subject to the submission of the above documents.

Notes:

1. Duly completed and signed documents should be provided to the Company/ RTA. Incomplete and/ or unsigned forms and declarations will not be considered by the Company. Further, in case, where copy of documents (such as, PAN card, Registration certificate, etc.) is provided, the copy should be self-attested by the Shareholder or its authorized signatory. For all documents being uploaded by the Member, the Member undertakes to send the original document(s) on the request of the Company.

2. The aforesaid documents such as Form 121/41, documents under the exemption provisions of sections 393, documents under section 395 for lower deduction, FPI Registration Certificate, Tax Residency Certificate, Lower Tax certificate etc. can be emailed to investors@vrllogistics.com on or before Tuesday, July 28th, 2026 to enable the Company to determine the applicable TDS rate. Any communication in relation to tax rate determination/ deduction received post Tuesday, July 28th, 2026 shall not be considered. It is advisable to send the documents at the earliest to enable the Company to collate the documents to determine the appropriate TDS rates.

3. Determination of withholding tax rate is subject to necessary verification by the Company of the shareholder details as available with the Depository Participant in case shares are held in dematerialized form; or RTA in case shares are held in physical form, as on the Record Date and other documents available with the Company/ RTA. Shareholders holding shares under multiple accounts under different residential status/ category and single PAN, may note that, higher of the tax rate as applicable to different residential status/ category will be considered for their entire shareholding under different accounts.

4. In case of any discrepancy in documents submitted by the shareholder, the company will deduct tax at higher rate as applicable, without any further communication in this regard.

5. We request you to submit / update your bank account details with your Depository Participant, in case you are holding shares in the electronic form. In case your shareholding is in the physical form, you will have to submit a scanned copy of a covering letter, duly signed by you, along with a cancelled cheque leaf with your name and bank account details and a copy of your PAN card, duly self-attested, with KFin. This will facilitate receipt of dividend directly into your bank account. In case the cancelled cheque leaf does not bear your name, please attach a copy of the bank pass-book statement, duly self-attested.

6. In case withholding tax is deducted at a higher rate, an option is still available with the shareholder to file the return of income and claim an appropriate TDS. No claim shall lie against Company for any taxes deducted by the Company.

7. The certificate in respect of tax deducted at source, if any, will be emailed directly to the investors. You will also be able to view the credit of TDS in Form 26AS/AIS, which can be downloaded from your e-filing income tax portal.

8. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the shareholder, the shareholder will be responsible to indemnify the Company and also, provide the Company with all information/ documents and co-operation in any tax proceedings.

9. Kindly note that shareholders are requested to link their Aadhaar number with their PAN in accordance with Section 262(5) and (6) of the Income-tax Act, 2025. If a shareholder fails to intimate their Aadhaar number as required, the PAN shall become inoperative under Section 262(6)(b) of the Act. In such cases, tax will be deducted at source at higher rates under Section 397(2)(b)(i) of the Act.

10. This Communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Shareholders should consult their tax advisors for requisite action to be taken by them.

11. In case of any query in the matter please reach out at investors@vrllogistics.com.

EXPLANATORY STATEMENT

(PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013)

ITEM–5

RE-APPOINTMENT OF DR. VIJAY SANKESHWAR (DIN: 00217714) AS CHAIRMAN AND MANAGING DIRECTOR

Dr. Vijay Sankeshwar is the founder of the Company. He started this business back in the year 1976 with a single truck and a vision which was way ahead of its time. His acumen and commitment has resulted in the gradual growth of your Company and VRL today is the largest less-than-truckload player in India's Surface Logistics domain. As the founder of the Company, he has been instrumental in formulating its long-term vision and strategy. He is a doyen of the logistics industry, bringing versatile, rich, and varied experience. He has been involved in the day-to-day operations and strategic decision-making of the Company. The Company is celebrating the 50th year during the current fiscal and Dr. Vijay Sankeshwar has been leading the Company since its inception and even today is its driving force.

Dr. Sankeshwar is a versatile personality who has demonstrated success and growth in every business he has ventured into. He also had a brief but illustrious political career and has contributed significantly to society and the business community at large. In 2020, the Government of India conferred upon him the Padma Shri, one of the highest civilian honor in the country. He continues to devote full-time effort to the business of the Company.

He was the Managing Director of the Company since 1983, upon VRL becoming a corporate entity. He was re-appointed as the Chairman & Managing Director of the Company with effect from January 1, 2021, for a period of five years. His current tenure expires on December 31, 2026.

The Board considers it in the best interest of the Company to continue his employment as the Company's Chairman & Managing Director for a further period of five years. Recognizing his fit state, immense contribution to the Company along with his experience, and achievements, the Board has approved his re-appointment.

The current remuneration, including the variable pay, being drawn by Dr. Vijay Sankeshwar remains same since the year 2015 and he had consciously declined from considering any upward revision to his emolument structure for over more than a decade. The Board of Directors had deliberated this aspect and has proposed the below revised remuneration package for Dr. Vijay Sankeshwar -

Re-appointment Period:

5 years with effect from January 1, 2027, with liberty to mutually terminate the agreement by giving three months' notice from either side.

Fixed Pay:

Monthly remuneration of ₹40,00,000/- (Rupees Forty Lakhs only), inclusive of perquisites, fixed for initial period of 3 years.

Remuneration includes:

1. Perquisites and allowances including house maintenance allowance, reimbursement of expenses including owned car usage and allowances for utilities such as electricity, security, maintenance, staff salary, etc.

2. Reimbursement of expenses for electricity, gas, water, telephone and other reasonable expenses for upkeep and maintenance of such accommodation.

3. Other allowances, benefits, and perquisites as per the rules applicable to senior executives of the Company, or which may become applicable in the future, or as the Board may decide from time to time.

The following elements shall not be included in the computation of the above remuneration:

a. Gratuity as per Company rules (not exceeding half month's salary for each completed year of service).

b. Earned leave with full pay or encashment as per Company rules.

c. Contribution to Provident Fund, Superannuation Fund or Annuity Fund, and National Pension Scheme as per Company policy.

d. Provision for use of Company car for official duties, telephone at residence (including payment for local and long-distance official calls, but excluding long-distance personal calls, which shall be paid by the Chairman & Managing Director), and reimbursement of all travel and related expenses including expenses incurred on owned car used for official purposes.

For the purpose of calculating remuneration, perquisites shall be valued as per the Income Tax Rules, wherever applicable.

Variable Pay:

In addition to the above, commission shall be payable up to 0.75% of the net profits of the Company, subject to the overall limit of remuneration drawn during the year.

Other Terms & Conditions of Appointment:

a. In the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay Dr. Vijay Sankeshwar remuneration by way of salary, perquisites, commission, or any other allowances as specified above, in accordance with the limits specified under Schedule V and other applicable provisions of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof) or as may be prescribed by the Government from time to time, as minimum remuneration. However, no commission on net profits will be payable.

b. No sitting fees shall be paid for attending the Board or Committee meetings.

c. Dr. Vijay Sankeshwar shall not be liable to retire by rotation.

The terms set out in this explanatory statement shall also be treated as an abstract of the terms of the agreement to be entered into between the Company and Dr. Vijay Sankeshwar under Section 190 of the Companies Act, 2013. A draft copy of the agreement to be entered into between the Company and Dr. Vijay Sankeshwar will be available for inspection at the registered office of the Company in compliance with Section 190 of the Companies Act, 2013.

Under section 196(3) of the Companies Act, 2013, the appointment of a person who has attained the age of seventy years shall be made by way of a special resolution along with a justification for the same in the explanatory statement annexed to the notice. The preceding paragraphs be treated as the justification offered in this regard. Similarly, under regulation 17(6)(e) of the SEBI Listing Regulations, a Special Resolution would also need to be passed for the payment of remuneration in excess of ₹ 5 crore or 2.5 per cent of the net profits of the listed entity, whichever is higher; or where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity. In accordance with the same, approval of the shareholders by way of special resolution is being sought.

Upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on May 18, 2026, unanimously approved the re-appointment of Dr. Vijay Sankeshwar as Chairman & Managing Director of the Company with effect from January 1, 2027, for a further period of five years, subject to the approval of shareholders at this Annual General Meeting.

The Board recommends the resolution for approval of the Members as a **Special Resolution.**

Information required under the Listing Regulations and Secretarial Standard-2 issued by the Institute of Company Secretaries of India is provided as **Annexure A** to this Notice.

Additional disclosures required under Schedule V of the Companies Act, 2013 for payment of remuneration in excess of the prescribed limits in the event of inadequate or no profits are provided as **Annexure B** to this Notice.

Except Dr. Vijay Sankeshwar, Dr. Anand Sankeshwar and Mr. Shiva A Sankeshwar, none of the Directors, Key Managerial Personnel of the Company, or their relatives are in any way interested or concerned, financially or otherwise, in this item of business.

ITEM–6

APPROVAL FOR CONTINUATION OF DIRECTORSHIP OF MR. VIRUPAXAGOUDA PATIL (DIN: 10395538) AS A NON-EXECUTIVE INDEPENDENT DIRECTOR ON HIS ATTAINING THE AGE OF 75 YEARS

Mr. Virupaxagouda Patil (DIN: 10395538) was appointed as a Non-Executive Independent Director of the Company with effect from 01.04.2024, in compliance with the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. He is currently serving as a Non-Executive Independent Director of the Company.

Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates that no listed entity shall continue the directorship of any person as a non-executive director who has attained the age of seventy-five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for continuing such person.

Mr. Patil will attain the age of 75 years on July 1, 2027, a date expected to fall prior to the next annual general meeting of the Company. Accordingly, to comply with the aforesaid regulation, it is felt necessary to seek the approval of the Members by way of a Special Resolution for the continuation of his directorship as a Non-Executive Independent Director at this AGM.

Mr. Virupaxagouda Patil holds Graduate degrees in Commerce and Law from Karnataka University, Dharwad, as well as a Post Graduate Diploma in Computer Application. He brings over 4 decades of experience in the field of law and commerce. He has served as a Legal Advisor to both Nationalized and Private sector Banks. Additionally, he has held the position of President of District Consumer Redressal Forum for Kodagu District of Karnataka and has also acted as a District Arbitrator for Co-operatives and Societies. He is currently a member of the Corporate Social Responsibility Committee of the Company.

The Board of Directors, upon the recommendation of the Nomination and Remuneration Committee, has evaluated the performance and contribution of Mr. Virupaxagouda Patil as a Non-Executive Independent Director. The Board is of the view that he brings valuable expertise, experience, and insights to the Board, which have been instrumental in the effective functioning of the Board and its committees. He continues to demonstrate the highest standards of professionalism, integrity, and independence in discharging his duties and his continued presence on the Board is in the best interests of the Company and its stakeholders.

The Board is satisfied that he continues to possess the requisite qualifications, expertise, and experience, and meets the independence criteria as prescribed under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. Accordingly, the Board recommends the continuation of Mr. Virupaxagouda Patil as a Non-Executive Independent Director of the Company.

Mr. Virupaxagouda Patil is only entitled to receipt of sitting fees for the meetings attended by him and is not in receipt of any other remuneration from the Company.

The Board of Directors, at its meeting held on 18th May 2026, unanimously approved the proposal for continuation of Mr. Virupaxagouda Patil as a Non-Executive Independent Director beyond the age of 75 years and recommends the Special Resolution as set out in Item No. 6 of the Notice for the approval of the Members.

The Board recommends the resolution for approval of the Members as a **Special Resolution.**

Except Mr. Virupaxagouda Patil, none of the other Directors, Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in this resolution.

ANNEXURE A

Details of Directors seeking appointment / reappointment as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable Secretarial Standard issued by the Institute of Company Secretaries of India

Name of Director: Mr. L R Bhat	
DIN	01875068
Category	Executive Director
Date of Birth & Age	27/01/1959 (67 years)
Date of Initial Appointment	04/08/2017
Tenure of appointment	Retirement by Rotation
Qualification	- Diploma in Mechanical Engineering - Certified Chartered Engineer from the Institute of Engineers.
Expertise in Specific functional area	Mr. L R Bhat holds a Diploma in Mechanical Engineering from the State Board of Technical Education & Training, Tamil Nadu and is Certified Chartered Engineer from the Institute of Engineers in Tool Design. He is working with the Company since 1st July, 1995 and is instrumental in developing in-house Information Technology which has resulted in enormous growth coupled with cost saving. He has more than 4 decades of experience in the Automobile, Technical and IT fields. He also heads the vehicle maintenance function in the Company.
Directorship in other Listed Companies	None
Membership/ Chairmanship in Committees of other Listed Companies	None
Relationship with Director/ Manager/ Key Managerial Personnel of Company	No such relationship
Shareholding in the Company as on 31st March 2026	4,194 shares held jointly with spouse Mrs. Usha Ramanand Bhat.
Number of Board meetings attended during FY 2025-26	Attended all 5 (five) board meetings held during the financial year.
Terms and conditions of appointment	As per the resolution approved in item no. 5 of the 42nd Annual General Meeting Notice read with explanatory statement thereto - https://vrlgroup.in/investor_download/Annual_Report_2024_25
Details of remuneration	₹ 16,50,350/- per month including perquisites as per the resolution approved in item no. 5 of the 42nd Annual General Meeting Notice read with explanatory statement thereto - https://vrlgroup.in/in vestor_download/Annual_Report_2024_25

Name of Director: Dr. Raghottam Akamanchi	
DIN	07038738
Category	Non-Executive Director
Date of Birth & Age	17/04/1964 (62 years)
Date of initial appointment	19/02/2015 (re-appointed on 5th August 2024)
Tenure of appointment	Retirement by rotation
Qualification	M.Sc, Phd.
Expertise in Specific functional area	Dr. Raghottam Akamanchi holds a Post Graduate Degree in Science (Statistics) from the Gulbarga University and a Doctorate in Statistics from the University of Mysore. He was on the Board of Management of the Karnataka State Open University during 2009-2011. He was also the National Vice President of Akhil Bharatiya Vidyarthi Parishad (ABVP). He is also associated with the Management of Seva Bharati Trust, Hubballi, a NGO established in the year 1999 and serving the socially and economically backward sections of the society.
Directorship held in other Listed Companies	None
Membership/ Chairmanship in Committee of other Listed Companies	None
Relationship with Director/ Manager/ Key Managerial Personnel	No such relationship
Shareholding in the Company as on 31st March 2026	Nil
Number of Board meetings attended during FY 2025-26	Attended all 5 (five) board meetings held during the financial year
Terms and conditions of appointment	Liable to retire by rotation

Name of Director: Dr. Vijay Sankeshwar	
DIN	00217714
Category	Executive Director
Date of Birth & Age	02-08-1950 (75 Years)
Date of Initial Appointment	15-06-2005
Tenure of appointment	5 years (01-01-2027 to 31-12-2031)
Qualification	B.Com.
Expertise in Specific functional area	Dr. Vijay Sankeshwar holds a Bachelor's Degree in Commerce from Karnatak University, Dharwad. He was a former Member of Parliament and was elected from the Dharwad (North) Constituency in the 11th, 12th and 13th Lok Sabha elections and he was also a Member of the Legislative Council (MLC) of the State of Karnataka. He was a member of Central Government committees, such as, the Committee of Finance between 1996 and 1997, the Consultative Committee, Ministry of Surface Transport between 1996 and 2000 and the Committee of Transport and Tourism between 1998 and 2000. He has over three decades of experience in the transport industry. He has received various awards including the "Udyog Ratna" and the Karnataka "Rajyotsava" Award. The Government of India in the year 2020 conferred the "Padma Shri" award to him which is one of the highest civilian honor in India.
Directorship held in other Companies	Companies in which he is a Director as of date of this Notice: 1. VRL Steel Private Limited 2. Vijayanand Foods Private Limited
Membership/ Chairmanship in Committee of other Listed Companies	None
Relationship with other directors	None except his son Dr. Anand Sankeshwar, Managing Director and grandson Mr. Shiva A Sankeshwar, Non-Executive Director
Shareholding in the Company as on 31st March 2026	Holds 4,95,61,128 equity shares of Rs.10/- (28.33% of total shareholding)
Terms of Conditions of appointment	As provided in the explanatory statement to this Notice
Details of Remuneration sought to be paid	₹40 lakhs per month including perquisites plus commission up to 0.75% on annual profits as detailed in the explanatory statement to this Notice.
Last Remuneration drawn	₹27 lakhs per month including perquisites plus up to 0.75% commission on profits
Number of meetings of the Board attended during the year	Attended all 5 (five) board meetings held during the financial year

For other details such as the number of meetings of the board attended during the year, remuneration drawn in respect of above directors, please refer to the Corporate Governance Report which forms part of this Annual Report.

ANNEXURE B

STATEMENT OF INFORMATION FOR THE MEMBERS PURSUANT TO SECTION II OF PART II OF SCHEDULE V TO THE COMPANIES ACT, 2013.

I GENERAL INFORMATION

1. **Nature of industry:**
   The Company is engaged in the business of Surface Logistics.

2. **Date of commencement of commercial production/ business operation:**
   31.03.1983

3. **Financial performance based on given indicators:**
   Standalone Financial Results for the last three years:

(₹ in Lakhs)

Particulars	2025-26	2024-25	2023-24
Profit (Loss) after Tax	23,683	18,292	8,885
Net Worth (including balance in Profit and Loss Account)	1,14,244	1,08,455	94,579
Earnings Per Share	13.54	*10.46	*5.08
Turnover	3,24,478	3,18,517	2,90,972

* The EPS for FY 2024-25 and FY 2023-24 is adjusted to give effect of Bonus equity shares issued at 1:1 ratio during FY 2025-26.

4. **Foreign investments or collaboration, if any:**

There is no direct foreign investment in the Company except to the extent shares held by Foreign Institutional Investors (FII) acquired through secondary market. There is no foreign collaboration in the Company.

As on 31st March, 2026, the Shareholding of Foreign Institutional Investors, Foreign Nationals and Foreign Companies, in the Company is as under:

Sl.No.	Description	Shares	% Equity
1	Foreign Portfolio Investors – Category I	48,96,723	2.80
2	Foreign Portfolio Investors – Category II	3,18,142	0.18
3	Non Resident Indians - Repatriable	7,23,049	0.41
4	Non Resident Indians – Non-Repatriable	4,70,546	0.27
	Total:	**64,08,460**	**3.66**

II INFORMATION ABOUT THE APPOINTEES

1. **Background details:**

Dr. Vijay Sankeshwar holds a Bachelor’s Degree in Commerce from Karnatak University, Dharwad. He was a former Member of Parliament and was elected from the Dharwad (North) constituency in the 11th, 12th and 13th Lok Sabha elections and he was also a member of the Legislative Council of the State of Karnataka. He was a member of Central Government Committees, such as, the Committee of Finance between 1996 and 1997, the Consultative Committee, Ministry of Surface Transport between 1996 and 2000 and the Committee of Transport and Tourism between 1998 and 2000.

He is the founder of the Company and has been at the helm of its affairs since inception. He continues to lead the day to day operations with hands on management style and is responsible for strategy formulation and implementation in the Company.

2. **Past Remuneration:**

The remuneration paid to Dr. Vijay Sankeshwar for the last 3 financial years is as follows:

Financial Year	₹ in Lakhs
2025-26:	496
2024-25:	460
2023-24:	389

3. **Recognition or Awards**

Year	Awards
1994	Udyog Ratna by the Institute of Economic Studies, New Delhi
2002	Aryabhat Award
2007	Sir M. Visvesvaraya Memorial Award
2008	Transport Samrat
2012	Transport Personality of the year in India Road Transportation Awards 2012 (IRTA)
2019	Karnataka Rajyotsava Award
2020	Padma Shri by the Central Government

4. **Job profile and Suitability**

Dr. Vijay Sankeshwar, Chairman and Managing Director of the Company, is highly experienced and controls the affairs of the Company as a whole under the direction of the Board of Directors of the Company. He has successfully and in a sustained way contributed significantly towards growth in performance of the Company. He has over five decades of experience in the transport industry. He is the founder promoter and actively involved in business strategy and business development functions of the Company.

5. **Proposed Remuneration**

Monthly remuneration of ₹40,00,000/- (Rupees Forty Lakhs only), inclusive of perquisites, fixed for initial period of 3 years.

Remuneration includes:

1. Perquisites and allowances including house maintenance allowance, reimbursement of expenses including owned car usage and allowances for utilities such as electricity, security, maintenance, staff salary, etc.
2. Reimbursement of expenses for electricity, gas, water, telephone and other reasonable expenses for upkeep and maintenance of such accommodation.
3. Other allowances, benefits, and perquisites as per the rules applicable to senior executives of the Company, or which may become applicable in the future, or as the Board may decide from time to time.

The following elements shall not be included in the computation of the above remuneration:

a. Gratuity as per Company rules (not exceeding half month's salary for each completed year of service).

b. Earned leave with full pay or encashment as per Company rules.

c. Contribution to Provident Fund, Superannuation Fund or Annuity Fund, and National Pension Scheme as per Company policy.

d. Provision for use of Company car for official duties, telephone at residence (including payment for local and long-distance official calls, but excluding long-distance personal calls, which shall be paid by the Chairman & Managing Director), and reimbursement of all travel and related expenses including expenses incurred on owned car used for official purposes.

For the purpose of calculating remuneration, perquisites shall be valued as per the Income Tax Rules, wherever applicable.

Variable Pay:

In addition to the above, commission shall be payable up to 0.75% of the net profits of the Company, subject to the overall limit of remuneration drawn during the year.

For the purpose of calculation of remuneration, perquisites shall be evaluated as per Income Tax Rules, wherever applicable.

Other Terms and Conditions

- In the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay Dr. Vijay Sankeshwar, the remuneration by way of salary, perquisites, or any other allowances as specified above as minimum remuneration except commission, as per the Provisions of the Companies Act, 2013, including any statutory modifications or re-enactments thereof, for the time being in force.
- No sitting fees shall be payable for attending the meetings of the Board of Directors or Committees thereof.

6. **In accordance with Article 97 of the Articles of Association, Dr. Vijay Sankeshwar shall not be liable to retire by rotation.**

7. **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:**

   The remuneration proposed to the Chairman & Managing Director, considering the profile of the position, associated responsibilities and performance of the individual, is commensurate with that being paid by companies' comparable size in the logistics industry.

8. **Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:**

   Dr. Vijay Sankeshwar is a Promoter, Chairman and Managing Director of the Company. He is related to Dr. Anand Sankeshwar, Managing Director and Mr. Shiva Sankeshwar, Non-Executive Director of the Company. Except that above, he does not have any other pecuniary relationship with any other Director nor Key Managerial Personnel in Company.

III. OTHER INFORMATION

1. **Reasons of loss or inadequate profits, if any:**

   There were no losses or inadequate profits for the preceding three financial years.

2. **Steps taken or proposed to be taken for improvement:**

   Not Applicable

3. **Expected increase in productivity and profits in measurable terms:**

   The inherent strength in our business model ensures that the Company is not dependent on any particular customer or industry for its revenues. The Company has demonstrated growth in revenues and profitability over five decades and is expected to sustain the same going ahead.

IV. DISCLOSURES

The disclosures as required on all elements of remuneration package such as salary, perquisites etc. have been made in the Directors' Report under the heading "Corporate Governance" attached to in this Annual Report.

By order of the Board of Directors
For **VRL LOGISTICS LIMITED**

ANIRUDDHA PHADNAVIS
Company Secretary & Compliance Officer
Date: July 11, 2026
Place: Hubballi

VRL LOGISTICS LIMITED
Regd. Office: RS No. 351/1, Varur, Post Chabbi, Taluk Hubballi,
District Dharwad, Hubballi - 581 207 (Karnataka)
(18th KM, NH-4, Bengaluru Road, Varur)
Tel: 0836 2237613, Fax: 0836 2237614, Email: investors@vrllogistics.com
CIN: L60210KA1983PLC005247, Website: www.vrlgroup.in

Attendance Slip

Members attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the 43rd Annual General Meeting of the Company at Registered office of the Company situated at RS No.351/1, Varur, Post: Chabbi, Taluk Hubballi, District Dharwad, Hubballi – 581 207 (18th KM, NH-4, Bengaluru Road, Varur) on August 4, 2026 at 1.00 p.m.

Full Name of the Member	
Address	
Folio No.	
DP ID	
Client ID	
No. of Shares held	

I certify that I am the registered shareholder/proxy for the registered shareholder of the Company

....

Full name of the shareholder / proxy (in block letters) Signature of shareholder / Proxy

Note:

1. Electronic copy of the Annual Report for FY 2025-26 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is being sent to all the shareholders whose email address is registered with the Company/Depositary Participant unless any shareholder has requested for a hard copy of the same. Shareholders receiving electronic copy and attending the Annual General Meeting can print copy of this Attendance Slip.

2. Physical copy of the Notice of the Annual General Meeting along with the details of web link to access the Annual Report, Attendance Slip and Proxy Form is sent physically by permitted mode to all shareholders whose email ids are not registered with the Company or have requested for a hard copy and to those who have accordingly requisitioned.

VRL LOGISTICS LIMITED
Regd. Office: RS No. 351/1, Varur, Post Chabbi, Taluk Hubballi,
District Dharwad, Hubballi - 581 207 (Karnataka)
(18th KM, NH-4, Bengaluru Road, Varur)
Tel: 0836 2237613, Fax: 0836 2237614, Email: investors@vrllogistics.com
CIN: L60210KA1983PLC005247, Website: www.vrlgroup.in

PROXY FORM - MGT-11

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

CIN : L60210KA1983PLC005247

Name of the Company : VRL LOGISTICS LIMITED

Registered Office : RS, No.351/1, Varur Post Chabbi Taluk Hubballi, District Dharwad, Hubballi - 581207 India.

(18th KM, NH- 4, Bengaluru Road, Varur)

Website: www.vrlgroup.in ; Email: investors@vrllogistics.com

Name of the Member (s):..

Registered address:...

E-mail Id: .... DP ID No. ....

Client ID No. .... Folio No: ....

I / We, being the member(s) of ________ Equity Shares of VRL Logistics Limited, hereby appoint

1.Name : ....

Address : ....

E-mail Id : ....

Signature :.., or failing him / her

2. Name:..

Address: ....

E-mail Id: ....

Signature:.., or failing him / her

3. 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 the 43rd Annual General Meeting of the Company, to be held on Tuesday, August 4, 2026 at 1.00 p.m. at the Registered Office of the Company and at any adjournment thereof, in respect of such resolutions set out in the Notice convening the meeting, as are indicated below:

Sl.No	Resolutions	Optional*	
Ordinary Business		**For**	**Against**
1	Adoption of Audited Financial Statements for FY 2025-26 together with the Report of Auditors thereon.		
2	To appoint a director in the place of Mr. L R Bhat (DIN: 01875068) who retires by rotation and being eligible, offers himself for re-appointment.		
3	To appoint a director in the place of Dr. Raghottam Akamanchi (DIN: 07038738) who retires by rotation and being eligible, offers himself for re-appointment.		
4	To confirm interim dividend paid as the final dividend for the financial year ended 31st March, 2026.		
Special Business:			
5	Re-appointment of Dr. Vijay Sankeshwar (DIN 00217714), as Chairman and Managing Director.		
6	Approval for continuation of directorship of Mr. Virupaxagouda Patil (DIN:10395538) as Non-Executive Independent Director upon attaining the age of 75 years.		

Signed this ___ day of _______, 2026

Affix Re.1 Revenue Stamp here

Signature of Shareholder

Signature of Proxy Holder (s)

Note:

1. The Proxy to be effective should be deposited at the Registered office of the company not less than **FORTY-EIGHT HOURS** before the commencement of the Meeting.
2. A Proxy need not be a member of the Company.
3. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
4. The form of Proxy confers authority to demand or join in demanding a poll.
5. The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.
6. * In case a member wishes his/her votes to be used differently, he/she should indicate the number of shares under the columns “For” or “Against” as appropriate.

INSTRUCTIONS AND OTHER INFORMATION RELATING TO REMOTE E-VOTING:

1. Please take note of the below:

A. In case a member receiving an email from KFin [for members whose email IDs are registered with the Company/Depository Participant(s)]:

I. Launch internet browser by typing the URL: https://evoting.kfintech.com.

II. Enter the login credentials (i.e., User ID and Password mentioned above). Your Folio No./ DP ID-Client ID will be your User ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting your vote.

III. After entering these details appropriately, Click on “LOGIN”.

IV. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$,etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

V. You need to login again with the new credentials.

VI. On successful login, the system will prompt you to select the “EVENT” i.e., VRL Logistics Limited.

VII. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut Off date under “FOR/AGAINST” or alternatively, you may partially enter any number in “FOR” and partially in “AGAINST” but the total number in “FOR/AGAINST” taken together should not exceed your total shareholding as mentioned hereinabove. You may also choose the option ABSTAIN. If the shareholder does not indicate either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.

VIII. Shareholders holding multiple folios/demat accounts shall choose the voting process separately for each folios/demat accounts.

IX. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.

X. You may then cast your vote by selecting an appropriate option and click on “Submit”.

XI. A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on all the Resolution(s) by clicking “SUBMIT”.

XII. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: cs_akshaysp@yahoo.com with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format “Corporate Name EVENT NO.” The documents should reach the Scrutinizer and such other person on or before August 3, 2026 at 5.00 P.M.

B. In case of Members receiving physical copy of the AGM Notice by Courier [for Members whose email IDs are not registered with the Company/Depository Participant(s)]:

(i) User ID and initial password as provided above.

(ii) Please follow all steps from Sr.No. (i) to (xii) as mentioned in (A) above, to cast your vote.

C. In case a person has become the Member of the Company after the dispatch of AGM Notice but on or before the cut-off date i.e. July 28, 2026, may write to the KFin on the email Id evoting@kfintech.com or to Mr. Bhaskar Roy, Contact No. 040-33215252 at KFin Technologies Limited, Unit- VRL Logistics Limited, Selenium Tower B, Plot 31-32, Gachibowli, Financial Dist., Nanakramguda, Hyderabad – 500 032, requesting for the User ID and Password. After receipt of the above credentials, please follow all the steps from Sr. No. (i) to (xii) as mentioned in (A) above, to cast the vote.

2. The remote e-voting period commences on August 1, 2026 at 9.00 A.M. and ends on August 3, 2026 at 5.00 P.M. During this period, the Members of the Company holding shares as on the cut-off date, being July 28, 2026, may cast their vote by electronic means in the manner and process set out hereinabove. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their vote electronically shall not vote at the AGM.

3. The facility for voting through electronic means ('Insta-Poll') would be made available at the Meeting and the members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through 'Insta- Poll'.
4. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
5. The Company has engaged the services of KFin Technologies Limited ("KFin") as the Agency to provide e-voting facility.
6. The Board of Directors of the Company has appointed Mr. Akshay Pachlag, Practicing Company Secretary as Scrutinizer to scrutinize the Insta-Poll and remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the said purpose.
7. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. July 28, 2026.
8. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e., July 28, 2026 only shall be entitled to avail the facility of remote e-voting / Insta-Poll.
9. The remote e-voting facility will be available during the following period: Commencement of remote e-voting: From 9.00 a.m. (IST) on August 1, 2026 End of remote e-voting: Up to 5.00 p.m. (IST) on August 3, 2026. The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by KFin upon expiry of aforesaid period.
10. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, will first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and will make, not later than 48 hours from the conclusion of the AGM, a consolidated Scrutinizer's report of the total votes cast in favor or against, if any, to the Chairperson or a person authorized by him in writing who shall countersign the same. The Chairperson or a person authorized by him in writing will declare the result of voting forthwith.
11. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e., August 4, 2026.
12. The Results on resolutions shall be declared not later than 48 hours from the conclusion of the AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favor of the Resolutions.
13. The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company (www.vrlgroup.in) and on Service Provider's website (https://evoting@kfintech.com) and communication of the same would be made to the BSE Limited and the National Stock Exchange of India Limited within 48 hours from the conclusion of the AGM.

E-Voting event Number	User ID	Password

14. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for Members at https://evoting.kfintech.com/public/Faq.aspxor call KFin Technologies Limited on 1800-309-4001 to their toll free number.

INSTRUCTION FOR MEMBERS WHO HAVE NOT YET REGISTERED THEIR EMAIL ADDRESSES SHOULD FOLLOW THE PROCEDURE MENTIONED BELOW:

Please take note of the below

1. The member can access the Kfin link at : https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx
2. Once you enter the link, please select the drop-down menu and select the Company Name 'VRL Logistics Limited'.
3. Select the Holding type from the drop down i.e. - NSDL / CDSL / Physical then click 'SUBMIT'.
4. Later enter the Enter DPID – Client ID (in case shares are held in electronic form) / Physical Folio No. (in case shares are held in physical form) and update your PAN number. In case shares are held in physical form and PAN is not available in the records, please enter any one of the Share Certificate No. in respect of the shares held by you.
5. If PAN details are not available in the system, the system will prompt to upload a self-attested copy of the PAN card for updating your records.

6. Kindly enter the valid email address and mobile number System will validate DP ID – Client ID/ Physical Folio No. and PAN / Share certificate No., as the case may be, and send the OTP at the registered Mobile number as well as email address for validation.
7. Enter the OTPs received by SMS and email to complete the validation process. Kindly note that the OTPs validity will be for 5 minutes only.
8. The Notice and e-voting instructions along with the User ID and Password will be sent on the email address updated by the member.
9. Alternatively, members may send an email request addressed to einward.ris@kfintech.com along with scanned copy of the request letter duly signed by the first shareholder, providing the email address, mobile number, self-attested copy of PAN and Client Master copy in case shares are held in electronic form or copy of the share certificate in case shares are held in physical form, to enable KFin to register their email address and to provide them the Notice and the e-voting instructions along with the User ID and Password.
10. Please note that in case the shares are held in electronic form, the above facility is only for temporary registration of email address for receipt of the Notice and the e-voting instructions along with the User ID and Password. Such members will have to register their email address with their DPs permanently, so that all communications are received by them in electronic form.
11. In case of queries, members are requested to email inward.ris@kfintech.com or call at the toll free number 1800- 309-4001.

    As an ongoing endeavour to enhance Investor experience and leverage new technology, our registrar and transfer agents, KFIN Technologies Limited have been continuously developing new applications. Here is a list of applications that has been developed for our investors.

    Investor Support Centre: A webpage accessible via any browser enabled system. Investors can use a host of services like Post a Query, Raise a service request, Track the status of their DEMAT and REMAT request, Dividend status, Interest and Redemption status , Upload exemption forms (TDS) , Download all ISR and other related forms.

    URL: https://kprism.kfintech.com/

    e-Sign Facility: Common and simplified norms for processing investor's service requests by RTAs and norms for furnishing PAN, KYC details and Nomination requires that e-Sign option be provided to Investors for raising service requests. KFIN is the first RTA which has enabled the option and can be accessed via the link below.

    URL: https://ris.kfintech.com/clientservices/isr

    KYC Status: Shareholders can access the KYC status of their folio. The webpage has been created to ensure that shareholders have the requisite information regarding their folios.

    URL: https://ris.kfintech.com/clientservices/isc/kycqry.aspx

    KPRISM Mobile App: A mobile application which allows users to check portfolio / holding, check IPO status / Demat / Remat , Track general meeting schedules, download ISR forms, view the live streaming of AGM and contact the RTA with service request, grievance, and query and full suite of other investor services.

    Senior Citizens Investor Support: As part of the initiative, our RTA, in order to enhance investor experience for Senior Citizens, a Senior Citizens investor cell has been newly formed for Senior Citizens in redressing their grievances, complaints and queries. This special cell closely monitors complaints coming from Senior Citizens through this channel and handholds them at every stage of the service request till closure of the grievance.

    Senior Citizens wishing to avail this service can send the communication with the below details to the email id, senior.citizen@kfintech.com. Senior Citizens (above 60 years of age) must provide the ID proof showing Date of Birth, Folio Number, Company Name and Nature of Grievance.

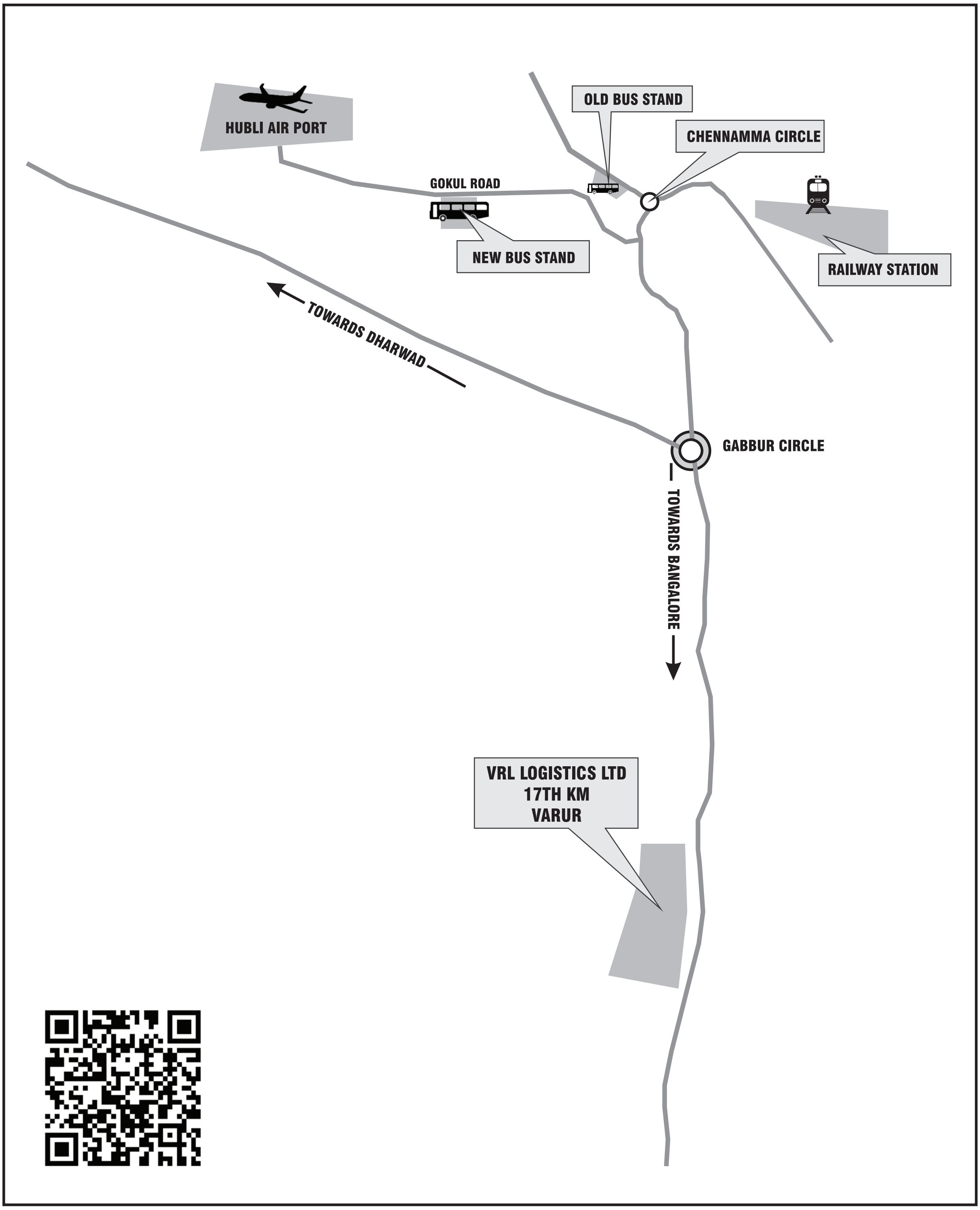
    Dedicated Toll-free number for any queries or information of Senior Citizens: 1-800-309-4006

    WhatsApp: Modern technology has made it easier to communicate with shareholder across multiple levels. WhatsApp has a wider reach today with majority having a know-how of the application. In order to facilitate the shareholders KFIN has now a dedicated WhatsApp number that can be used for a bouquet of services.

    WhatsApp Number: (91) 910 009 4099

    Note: Route Map to reach the Registered Office of the Company (AGM Venue) is annexed at the end of this report for convenience of the members.

Route Map to reach the Registered Office of the Company (AGM Venue)



DIRECTORS' REPORT

Dear Members,

Your directors are pleased to present the Forty Third Annual Report of your Company together with the audited financial statements for the financial year ended 31 March 2026.

1. SUMMARY OF FINANCIAL RESULTS

The performance of the Company for the financial year ended 31 March 2026 is summarized below:

(₹ in lakhs)

Particulars	Financial Year Ended March 31, 2026	Financial Year Ended March 31, 2025
Total Operating Income	3,24,478	3,18,517
Earnings before Interest, Depreciation, Tax and Amortization (EBITDA)	67,389	59,841
Finance Costs	9,498	9,483
Depreciation & Amortization expense	26,103	25,363
Profit Before Tax	31,788	24,995
Tax Expense	8,105	6,703
Net Profit After Tax	23,683	18,292
Other comprehensive income net of tax	(384)	(43)
Total comprehensive income for the year	23,299	18,249
Basic and Diluted earnings per share	13.54	10.46*

*The figures of earnings per share have been restated to give effect of bonus issue made during the year

2. OPERATING HIGHLIGHTS / STATE OF COMPANY'S AFFAIRS

During the year under consideration, the Company has achieved total revenue of ₹3,24,478 lakhs as against ₹3,18,517 lakhs in the previous year representing a growth of 1.87 %. Profit before tax for the year was ₹31,788 Lakhs as against ₹24,995 lakhs in the previous year. Accordingly, PAT also increased to ₹23,683 lakhs as against the corresponding figure of ₹18,292 lakhs for the previous year. A detailed discussion on the financial performance are covered in the Management Discussion & Analysis section of this Annual Report.

3. SHARE CAPITAL

The paid-up Equity Share Capital as at March 31, 2026 increased from Rs.8746.85 lakhs to Rs.17493.70 lakhs during the year owing to the issuance of Bonus equity shares in the ratio of 1:1.

The company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on March 31, 2026, none of the Directors held instruments convertible into equity shares.

4. CHANGE IN THE NATURE OF BUSINESS

There was no change in nature of business of the Company. Your Company continues to be one of the leading Surface Logistics service providers in the country. The service offerings of the Company during the year within Goods Transportation, its core business, predominantly included less than truckload and full truck load offerings.

5. CAPITAL EXPENDITURE

During the Financial year 2025-26, the company has incurred a capital expenditure of ₹27,182 lakhs. Out of the same, an amount of ₹10,037 lakhs was invested on purchase of new fleet i.e., Goods Transport Vehicles and an amount of ₹14,525 lakhs was invested on purchase of premises for operations at Ernakulam, Indore, Aroor (Kerala), Anantapur, Thiruvananthapuram, Vijayawada, Visakhapatnam and Nagpur. The balance capital expenditure of ₹2,620 lakhs was spent on Plant & Equipment, Furniture and Fixtures, Office Equipment and Leasehold Improvements.

6. LEASES

The adoption of the accounting standard Ind-AS 116- Leases, has resulted in the Company recognizing significant right-of-use (ROU) assets and related lease liability over the years in connection with operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the reporting date.

This year, the net reduction in ROU assets was to the tune of ₹ 9,055 lakhs attributable entirely to Buildings owing to vacation of certain transshipments and branches. The reduction to Lease Liabilities, including both current and non-current was to the tune of ₹8,019 lakhs.

The impact of adopting IndAS 116 on the financial statements for the year ended 31 March 2026 is as follows:

(₹ in Lakhs)

Particulars	For the Year Ended 31 March 2026	For the Year Ended 31 March 2025
Depreciation charge on Right-of-use assets-Buildings	15,190	15,922
Interest expense included in finance cost	6,220	6,420
Expense relating to short-term leases	7,987	7,548
Total cash outflow for leases during current financial year (excluding short term leases)	19,648	18,492
Additions to the right of use assets	13,517	18,878

7. DIVIDEND

During the year, the Board of Directors had declared and paid an Interim Dividend at the rate of Rs.5 per share. The Board of Directors do not propose any final dividend to its shareholders for FY 2025-26.

In compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), the Dividend policy of the Company is available on our website at https://vrlgroup.in/investor_download/Policy_on_Dividend_Distribution.pdf. A copy of the same is annexed to this Report as **Annexure A.**

8. TRANSFER OF UNPAID AND UNCLAIMED AMOUNTS AND SHARES TO IEPF

Section 124 and 125 of the Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (“IEPF Rules”), requires dividends that are not encashed/ claimed by the shareholders for a period of seven consecutive years to be transferred to the Investor Education and Protection Fund (IEPF). During the year, the Company has transferred a sum of ₹ 1,39,769/- to the IEPF. Also, related 1200 underlying shares were accordingly transferred.

The details of the consolidated unclaimed/ unpaid dividend statements as required by the Act read with IEPF Rules for all the unclaimed/ unpaid dividend accounts have been uploaded on the Company’s website and can be accessed at https://vrlgroup.in/vrl_investors_desk.aspx?display=unclaimed_dividend.

The Members of the Company, who have not yet encashed their dividend warrant(s) or those who have not claimed their dividend amounts or whose shares have been transferred to IEPF, may write to the IEPF/ Company/ Company’s Registrar and Share Transfer Agent, Kfin Technologies Limited.

9. TRANSFER TO RESERVES

The Company has transferred an amount of ₹ 2,368 lakhs to the General Reserve out of current year’s profits in line with its practice of earlier years.

10. SUBSIDIARY COMPANIES

The Company does not have any subsidiary.

11. FIXED DEPOSITS

The Company has not accepted any fixed deposits during the year within the meaning of Section 73 of the Companies Act, 2013 and the rules made thereunder.

12. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013. Details of investments made by the company are given in the notes to the financial statements.

13. CREDIT RATING

During the year, ICRA Limited has upgraded the Long term fund based term loan and Long term fund based working capital loan rating of the Company from [ICRA] A+ Stable to [ICRA] A+ Positive.

As indicated by ICRA, the revision in the outlook from Stable to Positive is due to the future expectation that company will sustain growth momentum in its core goods transport business, supported by expansion in its fleet and branch network. This coupled with recent revision in freight rates as well as companies exit from a low-margin business will lead to improved profitability over historical levels in the near to medium term. Over the last three years, the Company has expanded and replaced its fleet as well as increased its branch network, leading to improvement in its overall operational efficiency. Additionally, the increase in freight rates undertaken has led to year on year revenue growth. These strategic measures have aided in generating higher revenues and stronger operating margins for the Company.

14. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 (2) of SEBI Listing Regulations read with Schedule V thereto, is presented in a separate section forming part of this Annual Report.

15. BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

The Securities Exchange Board of India has mandated top 1000 listed companies based on market capitalization to include a report on business responsibility & sustainability. The said report is in compliance with the SEBI Listing Regulations and forms a part of this Annual Report.

16. CORPORATE GOVERNANCE

The Company is committed to maintain the steady standards of corporate governance and adhere to the corporate governance requirements set out under extant law. The Report on corporate governance as stipulated under Regulation 34 of the SEBI Listing Regulations read with Schedule V thereto forms part of this Annual Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of corporate governance as stipulated under the aforesaid Regulations, as also the related certificate from CEO/ CFO are attached to the Report on Corporate Governance.

The auditors' certificate does not contain any qualification, reservation or adverse remarks.

17. BOARD COMPOSITION AND INDEPENDENCE

The composition of the Board is in conformity with Section 149 of the Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulations, which stipulates that the Board should have optimum combination of Executive and Non-executive Directors with at least one Independent Woman Director and at least 50% of the Board should consist of Independent directors, as the Chairman of our Board is an Executive Director.

As on March 31, 2026, the Board comprised of twelve Directors. Out of these, two are Managing Directors who are also the Promoters of the Company and One Whole time Executive Director, the other nine being Non-Executive Directors (one of whom is related to the Promoters).

Of the nine Non-Executive Directors, six are Independent Directors. These include one Independent Woman Director. All the Directors possess the requisite qualifications, expertise and experience in general corporate management, finance, banking, laws, operations and other allied fields enabling them to contribute effectively in their capacity as Directors of the Company.

None of the Directors of the Company are related to each other except Dr. Vijay Sankeshwar, Chairman & Managing Director (CMD), Dr. Anand Sankeshwar, Managing Director (MD) and Mr. Shiva A Sankeshwar (Non-Executive Director).

All Independent Directors have given due declarations that they meet the criteria of independence as laid down under section 149 (6) and (7) of the Companies Act, 2013 and under extant provisions of the SEBI Listing Regulations.

18. NUMBER OF MEETINGS OF THE BOARD

During the year, five Board Meetings were held, the details of which are provided in the Corporate Governance Report which forms part of this Annual Report. The intervening gap between these Meetings was in compliance with the requirements of the Companies Act, 2013 and SEBI Listing Regulations.

Details of attendance of meetings of the Board, Committees and the Annual General Meeting are also included in the Report on Corporate Governance.

COMMITTEES OF THE BOARD

The Board has the following committees:

a. Audit Committee

b. Nomination and Remuneration Committee

c. CSR Committee

d. Stakeholders Relationship Committee

e. Risk Management Committee

f. Administration Committee

g. Finance Committee

h. Bonus Committee

Details such as terms of reference, powers, functions, meetings, membership of committee, attendance of directors etc. are dealt with in Corporate Governance Report forming part of this Annual report. Board has accepted all recommendations made by the Audit Committee during the year.

19. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

DIRECTORS

a) Inductions

There was no change in the constitution of the Board of Directors during the year.

b) Retirement

None of the directors retired during the year.

c) Retirement by Rotation and reappointment

Dr. Raghottam Akamanchi, Non-Executive Director and Mr. L R Bhat, Executive Director of the Company, retire by rotation at this AGM and being eligible, offer themselves for reappointment. The Board recommends their re-appointment.

d) Resignation

None of the directors resigned during the year.

KEY MANAGERIAL PERSONNEL

During the year under consideration, there was no change in Key Managerial Personnel of the Company. The remuneration and other details of the Key Managerial Personnel for FY 2025-26 can be accessed in the Annual Return (MGT 7), available on our website at www.vrlgroup.in.

20. STATUTORY DISCLOSURES

None of the Directors of your Company are disqualified as per provisions of Section 164(2) of the Companies Act, 2013. Your Directors have made necessary disclosures, as required under various provisions of the Companies Act, 2013 and SEBI Listing Regulations. A Certificate to that effect as mandated under Schedule V of the SEBI Listing Regulations has been obtained from a Company Secretary in practice.

21. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations, the annual performance of the Board, its Committees, Chairperson and Individual Directors including Independent Directors was evaluated as per the criteria laid down by the Nomination and Remuneration Committee. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report which forms part of this Annual Report.

22. BOARD DIVERSITY

A diverse Board enables efficient functioning through differences in perspective and skill, and fosters differentiated thought processes at the back of varied industrial and management expertise, gender and knowledge. The Board recognizes importance of a diverse composition and has adopted a Board Diversity policy which sets out our approach to diversity. The said policy can be accessed on our website at https://vrlgroup.in/vrl_investors_desk.aspx?display=policies.

23. DIRECTOR'S RESPONSIBILITY STATEMENT

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

i. In the preparation of the annual accounts, the applicable accounting standards (IndAS) have been followed along with proper explanation relating to material departures, as prescribed under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

ii. The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.

iii. The directors have 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.

iv. The directors have prepared the annual accounts on a going concern basis.

v. 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.

vi. Based on the framework of internal financial controls established and maintained by the Company, work performed by the internal, statutory auditors, reviews performed by the management and the relevant Board Committees, the Board, in concurrence with the Audit Committee, is of the opinion that the Company's internal financial controls were adequate, operational and effective as on March 31, 2026.

24. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on arm's length basis. There were no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons. 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 in Form AOC-2 does not form a part of this report.

All Related Party Transactions are placed before the Audit Committee as also to the Board for prior approval. Omnibus approval was obtained for transactions which are repetitive in nature. A statement containing details of all transactions entered into pursuant to omnibus approval are placed before the Audit Committee and the Board for review and approval on a quarterly basis.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board of Directors of the Company can be viewed on our website, at: https://vrlgroup.in/investor_download/Policy_on_Related_Party_Transactions.pdf

25. NOMINATION AND REMUNERATION POLICY

In adherence to Section 178(1) of the Companies Act, 2013, 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 including criteria for determining qualifications, positive attributes and other matters provided under sub section (1) (3) of section 178 of the Companies Act 2013. The Remuneration Policy is annexed to this report as **Annexure B.** The said policy alternatively can also be accessed on our website at https://vrlgroup.in/investor_download/Nomination_Remuneration%20Policy.pdf.

26. CODE OF CONDUCT

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and specified employees in the course of day-to-day business operations of the company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings / behavior in any form and the Board has laid down certain directives to counter such acts. Such code of conduct can be accessed on our website at https://vrlgroup.in/investor_download/Code_of_Conduct.pdf. The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. The Code gives guidance on the expected behavior from an employee in a given situation and the reporting structure. All the Board Members and the Senior Management personnel have confirmed compliance with the Code. Pursuant to SEBI Listing Regulations, a declaration from the Chairman & Managing Director (Chief Executive Officer who performs the duties of the Chief Executive Officer) regarding compliance with the Code by board of directors and senior management personnel is included as part of the Annual Report.

27. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a Vigil Mechanism Policy in line with the provisions of Section 177 of the Companies Act, 2013 to deal with instances of fraud and mismanagement, if any. Staying true to our core values being committed to high standards of Corporate Governance and stakeholder responsibility, the said policy ensures that strict confidentiality is maintained in respect of whistle blowers whilst dealing with concerns and also specified that no discrimination will be meted out to any person for a genuinely raised concern and also provides a direct access to the Chairman of the Audit Committee. During the year under review none of the personnel has been denied access to the Chairman of Audit Committee. The Vigil Mechanism policy is available on our website at https://vrlgroup.in/investor_download/vigil_Mechanism.pdf.

28. PREVENTION OF INSIDER TRADING

In terms of the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended (PIT Regulations), the Company has adopted a Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders with a view to regulate trading in securities by the Directors and certain designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. The said code is available on our website at: https://vrlgroup.in/investor_download/Insider%20Trading%20Regulation%20Policy%20APRIL%202019.pdf

29. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System in commensurate with size, scale and complexity of its operations. The Board of the Company had laid down policies, guidelines, procedures and structure to enable implementation of appropriate internal financial controls across the Company. These control processes enable and ensure the orderly and efficient conduct of Company's business, including safeguarding of assets, prevention and detection of frauds and errors, the accuracy and completeness of the Accounting records and timely preparation & disclosure of financial statements. These controls also identify the risks and provides for means to minimize / mitigate the risks affecting the business of the Company as a whole. Auditors, as required under the Companies Act 2013, have also reported the existence and operations of these controls in an effective manner.

The Company's internal audit department enables the Management to mitigate the risks and prevent non-compliance with laws which would affect the financial position of the Company. The scope and authority of the Internal Audit function is well defined and to maintain its objectivity and independence, the Internal Audit function reports directly to the Chairman of the Audit Committee of the Board as well as directly to the Chairman & Managing Director. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its application within operating systems, accounting procedures and policies at all locations of the Company. Based on the internal audit report from time to time, the management undertakes corrective actions in the relevant areas and thereby strengthens the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee.

30. BUSINESS RISK MANAGEMENT

Pursuant to Section 134(3)(n) of the Companies Act, 2013 and Regulation 17(9) of SEBI Listing Regulations, the Company has in place a risk management architecture that provides a holistic approach to the best of its capabilities. The Company identifies, assesses and mitigates risks that could materially impact its performance in achieving the stated objectives.

The Risk Management Committee and Audit Committee, on a regular basis, reviews the Company's portfolio of risks and examines it under the light of the Company's Risk Appetite.

The material risks affecting Company are identified along with related mitigation measures and elaborated in the Risk Management Policy of the Company which has been hosted on website of the Company at https://vrlgroup.in/investor_download/Risk%20Management%20Policy_14_06_2023.pdf

31. SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 ("SEBI LISTING REGULATIONS")

The Company's Equity Shares are listed on the BSE Ltd and National Stock Exchange of India Limited and the Company has paid the applicable Annual listing fees to these stock exchanges. The Company has also formulated the following Policies as required under SEBI Listing Regulations -

'Policy for Preservation of Documents' under Regulation 9 of SEBI Listing Regulations. The said policy can be accessed on our website at https://vrlgroup.in/vrl_investors_desk.aspx?display=policies.

'Policy on Criteria for determining Materiality of Events/Information' under Regulation 30 of SEBI Listing Regulations. The said policy can be accessed on our website at: http://vrlgroup.in/vrl_investor_desk.aspx?display=policies

32. DISCLOSURE RELATED TO LARGE CORPORATE ENTITY

With reference to SEBI Circular No. SEBI/HO/DDHS/DDHS-POD1/P/CIR/2023/172 dated 19.10.2023, your Company confirms that it does not fall under the "Large Corporate" Category and as such the related compliances are not applicable.

33. AUDITORS AND AUDIT REPORTS

a) Statutory Auditors and Audit Report:

In accordance with Section 139 of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014, members at the 42nd Annual General Meeting of the Company had approved appointment of M/s. Walker Chandiok & Co LLP, Chartered Accountants (Firm Registration No. 001076N / N500013 as Statutory Auditors of the Company, for a period of 5 years from date of the said Annual General Meeting.

There are no qualifications, reservations or adverse remarks made by the Statutory Auditors in their report for the financial year ended March 31, 2026. Pursuant to provisions of section 143 (12) of the Companies Act 2013, the Statutory Auditors have not reported any incident of fraud to the Audit Committee during the year under review.

b) Secretarial Auditor & Secretarial Audit Report

In accordance with section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, members at the 42nd Annual General Meeting of the Company had approved appointment of Mr. R Parthasarathy, Practicing Company Secretary, Bengaluru (ACS 3667, CP No.838), as the Secretarial Auditor of the Company for period of 5 years from date of the said Annual General Meeting.

The Secretarial Audit report in Form MR-3 is annexed herewith as **Annexure C**. There were no qualifications/ adverse remarks in the Secretarial Audit report.

34. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

As required under section 135 of the Companies Act 2013, the Board has constituted Corporate Social Responsibility Committee which monitors and oversees various CSR initiatives and activities of the Company. The CSR Committee comprises of four directors out of which two are Independent Directors. Further details such as composition, terms, functions, meetings and attendance of directors of the said committee are provided in the Corporate Governance report forming part of this Annual Report.

The Company has undertaken and contributed to various projects by way of direct spends and also identified Trusts, Societies, and other eligible institutions including Educational Institutions for CSR related activities as approved by the CSR Committee, focusing predominantly on Education, Healthcare and Sports.

A detailed Annual Report as required to be given under Section 135 of the Companies Act, 2013 and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 containing details of CSR activities & contents of CSR policy is annexed as **Annexure D**.

The CSR policy can be accessed on our website at https://vrlgroup.in/investor_download/CSR%20POLICY.pdf

35. ANNUAL RETURN

A copy of the Annual Return of the Company containing the particulars prescribed u/s 92 of the Companies Act, 2013, in Form MGT-7, as of the end of the financial year i.e. March 31, 2026 is uploaded on the website of the Company in the Investor Relations Section under the tab 'Annual Return' and can be accessed at the below link https://vrlgroup.in/vrl_investors_desk.aspx?display=annual_return

36. DETAILS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and expenditure are annexed hereto as **Annexure E** and forms part of this Report.

37. PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 (12) read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, forms part of this report and annexed herewith as **Annexure F**.

A statement containing top ten employees in terms of remuneration and the names of every employee who was in employment of the Company throughout the year and was in receipt of the specified remuneration is also included therein.

38. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company is in compliance with applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

39. MATERIAL CHANGES AND COMMITMENTS

There were no material changes and commitments that occurred subsequent to the end of the financial year till the date of this report, which affects the financial position of the Company.

40. INDUSTRIAL RELATIONS

During the year under review, the Company maintained cordial and harmonious relations with its workmen and employees at all levels.

41. SIGNIFICANT AND MATERIAL ORDERS

There are no significant and material orders passed by the regulators or courts or tribunals impacting going concern status and company's operations for a foreseeable future.

42. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place a Policy for Prevention Prohibition and Punishment of Sexual Harassment of Women at Work place in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy. During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

43. ACKNOWLEDGMENTS AND APPRECIATION

The Directors take this opportunity to thank the Company's customers, shareholders, Investors, suppliers, bankers, financial institutions and Central & State Governments for their consistent support and cooperation extended to the Company. The Directors also wish to place on record their appreciation towards employees at all levels for their hard work, dedication and commitment.

FOR AND ON BEHALF OF THE BOARD

DR. VIJAY SANKESHWAR
Chairman & Managing Director
DIN: 00217714

Place: Hubballi
Date: May 18, 2026

Annexure A
DIVIDEND DISTRIBUTION POLICY

1. PREAMBLE

We, at VRL Logistics Limited have formulated this policy to establish a robust and transparent framework that outlines the parameters considered for dividend declarations, ensuring compliance with regulatory standards and clarity for all stakeholders. Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, mandates a Dividend Distribution Policy for the top 1000 listed entities by market capitalization.

2. OBJECTIVE

The objective of this Policy is as follows:

a. To define the policy and procedures of the Company in relation to the declaration / recommending Dividends.

b. To ensure that the Company has sufficient distributable profits and/or general reserves, as determined by a review of the Company's audited financial statements, prior to any declaration and/or payment of Dividends.

c. To ensure a regular dividend income for the members and long term capital appreciation for all stakeholders of the Company.

d. To ensure the right balance between the quantum of dividend paid and amount of profits retained in the business for various purposes.

e. To strike an optimal balance between other shareholder deliverables such as Buy-Back, Bonus shares, etc. and Dividend.

3. APPLICABILITY:

The policy set out herein relates to Equity Shares only and not applicable to any preference shares that the Company may issue or any other security on which dividend payment option may exist.

The Board of Directors reserves the right to modify this policy to accommodate the preference shares or make separate policy for preference shares or any other security in accordance with applicable provisions of the Companies Act, 2013 read with rules made there under as and when it deems fit and necessary or as and when it is statutorily required to the company.

The policy set out herein relates to final as well as Interim Dividend as may be proposed/ recommended or declared by the Board from time to time.

4. SCOPE, LAW, RULES AND REGULATIONS:

The declaration and payment of dividend is governed by the provisions contained in chapter - VIII from section 123 to 127 of the Companies Act, 2013 read with the Companies (Declaration and Payment of Dividend) Rules 2014 (as amended from time to time). Also, SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 deals with the additional procedure for listed entities including prior intimation to Stock Exchanges, Record Date etc. Other applicable Acts and guidelines include:

- Security Contract Regulation Act, 1956;
- Income Tax Act, 1961;
- Secretarial Standard on Dividend prescribed by the Institute of Company Secretaries of India;
- RBI Guidelines / Circulars / Notifications to the extent applicable;
- FEMA, 1999;
- SEBI Guidelines / Circulars etc.

The Company shall adhere to above laws in specific and to all other applicable laws in general while declaring or payment of dividend.

5. DECLARATION AND PAYMENT OF DIVIDEND

5.1 CIRCUMSTANCES UNDER WHICH DIVIDEND IS DECLARED

Maintaining a reasonable balance between cash retention and distribution of dividend would facilitate the smooth working of Company's affairs. The Company believes that cash retention is required for expansion and diversification of the Company including regular capex to be made by it, and also as a means to meet contingencies.

a) Adequate Profits:

The Company shall declare dividends for a financial year out of the profits (excluding unrealized gains, notional gains, and revaluation of assets or liabilities) of the company for that year or out of any previous financial year(s) after providing for depreciation and losses, if any, in accordance with applicable laws. The Company has a practice of paying dividend and has been consistently declaring and paying dividend for the previous years.

The Company reserves the right to declare interim dividend during any financial year out of the surplus in the profit and loss account and out of the profits of the financial year in which such interim dividend is sought to be declared.

b) In-adequate Profits:

In the event of inadequacy or absence of profits in any year, the Company may declare dividend out of free reserves subject to the fulfillment of the following conditions:

(a) The rate of dividend declared shall not exceed the average of the rates at which dividend was declared by it in the three years immediately preceding that year.

(b) The total amount to be drawn from such accumulated profits shall not exceed one-tenth of the sum of its paid-up share capital and free reserves of the Company as appearing in the latest audited financial statement.

(c) The amount so drawn shall first be utilized to set off the losses incurred in the financial year in which dividend is declared before any dividend in respect of equity shares is declared.

(d) The balance of reserves after such withdrawal shall not fall below fifteen per cent of the Company's paid up share capital as appearing in the latest audited financial statement.

Further, in the event the Company has incurred loss during the current financial year up to the end of the quarter immediately preceding the date of declaration of interim dividend, such interim dividend shall not be declared at a rate higher than the average dividends declared by the Company during the immediately preceding three financial years.

c) The Company shall not declare dividend in the following circumstances:

- There are reasonable grounds for believing that the Company is or would be, after a Dividend payment, unable to pay its liabilities or discharge its obligations as and when they become due;
- As a result of paying Dividends, the Company would be rendered insolvent or bankrupt;
- By operation of law for time being in force.

5.2 PARAMETERS OR FACTORS DETERMINING DIVIDEND

In determining the Company's dividend payout, the Board of Directors considers a variety of factors or parameters (financial or otherwise), including:

1. Profitability and earnings stability
2. Growth opportunities & investment needs
3. Liquidity and free cash flow
4. Leverage and Debt obligations
5. Legal requirements, taxation & other Government policies
6. Dividend payout history
7. Dividend type and its time of payment
8. Any potential corporate actions like acquisitions etc.
9. State of Indian economy and the Logistics Industry

10. Favorable state of the capital markets
11. Statutory conditions or restrictions as may be provided under applicable laws

5.3 USAGE OF RETAINED EARNINGS

Company can use its retained earnings to gain competitive advantage. The competitive advantage can be achieved by increasing revenues or by increasing profit margin. To improve revenues or margins company shall either expand its fleet or modernize its facility to make it more productive. For both expansion and modernization's plans retained earnings can be utilized by the Company.

5.4 PERSONS ENTITLED TO RECEIVE DIVIDENDS

Save as provided in Section 27 of the Securities Contracts (Regulation) Act 1956, all persons whose name appears on the register of members as on the record date fixed by the Company for determining eligible shareholders for dividend are entitled to receive dividends.

5.5 PROCEDURE FOR PAYMENT OF DIVIDEND

- Company shall declare and disclose the dividend on per share basis only in terms of Regulation 43 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 read with Section 91 of Companies Act, 2013.
- Prior intimation as required under Regulation 29 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 shall be given to Stock Exchanges within such days as prescribed in the said Regulations.
- Outcome of the Board Meeting where dividend is final or interim recommended / declared by the Board shall be intimated to Stock Exchanges within 30 minutes of conclusion of Board Meeting as required under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.
- Record date shall be fixed in compliance with Regulation 42 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and shall also be intimated to Stock Exchanges within such time as prescribed in the said Regulations.
- The amount of dividend (including interim dividend), must be deposited in a separate bank account opened with scheduled bank within 4 days from the date of declaration of such dividend.
- The dividend has to be paid within 25 days from the date of declaration or such other period as is applicable by law.
- The management of company is permitted to open a separate bank account, as required for Dividend, prior to the board meeting held for consideration of dividend.
- No dividend shall be paid by a company in respect of any share therein except to the registered shareholder of such share or to his order or to his banker.
- The listed entity shall directly credit to the bank accounts of eligible shareholders through electronic clearing services (local, regional or national), real time gross settlement, national electronic funds transfer/ SWIFT transfer etc. for making payment of dividend.
- Company shall follow other procedures laid down under the Companies Act 2013 or SEBI Rules and Regulations as may be applicable in respect of declaration of dividend (interim or final).

6. DEDUCTION OF TAX

There have been several amendments in relation to taxation on dividends. The company will ensure the compliance with the prevailing law governing such taxation.

In terms of provisions of the Income Tax Act, 2025, dividend paid or distributed by the Company is taxable in the hands of recipient shareholders. The Company will therefore deduct tax at source at the time of payment of dividend. Pursuant to section 393 of the Income Tax Act, 2025, Tax will be deducted at source ("TDS") on the amount of dividend payable to the shareholders of the Company at the prevailing rate prescribed in the said Act unless exempt under any other provisions thereof of the Act.

The company shall ensure that all necessary correspondence is made in this regard to the shareholders in a timely manner so as to enable them to take suitable action and simplify their compliance with any requirements in this regard.

7. UNCLAIMED DIVIDEND

- Dividend that has been declared by the Company and not been paid or claimed by the shareholder, within 30 days from the date of such declaration, the Company shall within seven days from the expiry of the said 30 days, transfer such unpaid or unclaimed dividend amount in a special account to be opened/ re-designated with any scheduled bank which shall be called the unpaid dividend account. Any person claiming to be entitled to any money transferred to unpaid dividend account may apply to the Company for payment of the money claimed.
- The Company would within a period of 90 days of making the transfer of dividend amount to the unpaid dividend account, prepare a statement containing the names, the shareholders' last known addresses and the unpaid dividend amount and place it on its website and also on the other website approved by Central Government in this behalf.
- Dividend that is not en-cashed or claimed, within seven years from the date of its transfer to the unpaid dividend account, will, in terms of the provisions of Section 125 of the Companies Act, 2013, be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government within 30 days from the date of became due to transfer to the Fund.
- The Company would also transfer the shares in respect of which dividend has not been paid or claimed for seven consecutive years or more in favor of Investors Education and Protection Fund.
- The Company will within a period of 60 days from holding of Annual General Meeting, prepare a statement of unpaid and unclaimed dividend amount as on the closure of financial year, containing the shareholders name, last known addresses, nature of amount, entitled amount, due date for transfer to IEPF and such other information it may deem necessary, till the completion of seven years and place it on website of Company and the Investors Education and Protection Authority of India as prescribed by the Central Government.
- In case shareholder has any unclaimed/ unpaid dividends in respect of the financial years mentioned in our website, may apply for payment in terms of section 124(4) of Act and shall write to Registrar and Share Transfer Agent of the Company for claiming the amount.
- Before transferring any amount to the Investor Education and Protection Fund, the company will give individual intimation to the Members in respect of whose unclaimed Dividend the amount is being transferred, at least three months before the due date of such transfer.
- After the expiry of the period of seven years from the date from which unclaimed and unpaid Dividends were transferred to the Unpaid Dividend Account, no claims shall lie against the company in respect of any such amounts. Hence, the company should intimate the concerned Members individually of the amount of Dividend remaining unclaimed which is liable to be transferred to the Investor Education and Protection Fund and advising the Member to claim such amount of Dividend from the company before such transfer.

8. AMENDMENTS TO THE POLICY:

In case of any subsequent changes in the provisions of the Companies Act 2013 or SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, or Income Tax Act, 1961 or any other regulations which makes any of the provisions of this Policy inconsistent with the Act or such other regulations, then the provisions of the Act or such other regulations would prevail over this Policy and the relevant provisions contained in this Policy would be modified accordingly in due course to make it consistent with applicable laws.

The Board of Directors of the Company may subject to applicable laws amend, suspend or rescind this Policy at any time. Any difficulties or ambiguities in this Policy will be resolved by the Board of Directors in line with the broad intent of this Policy. The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy and further the objective of good corporate governance.

Annexure B
NOMINATION AND REMUNERATION POLICY

I. PREAMBLE

In accordance with Section 178 of the Companies Act, 2013 read with Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR Regulations**"), as amended from time to time, the Board of Directors of VRL Logistics Limited has constituted a Nomination and Remuneration Committee ("**Committee**"). This Policy has been formulated in compliance with aforesaid provisions and has been adopted by the Board of Directors on recommendation of the Committee.

II. OBJECTIVE

The Key Objectives of the Committee would be:

a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.

b) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.

c) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

III. DEFINITIONS

(i) "Board" means Board of Directors of the Company.

(ii) "Company" means "VRL Logistics Limited."

(iii) "Employees' Stock Option" means the option given to the directors, officers or employees of a company or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the company at a future date at a pre-determined price.

(iv) "Independent Director" means a director referred to in Section 149 (6) of the Companies Act, 2013.

(v) "Key Managerial Personnel" (KMP) means

- (i) Chief Executive Officer or the Managing Director or the Manager,
- (ii) Company Secretary;
- (iii) Whole-time Director;
- (iv) Chief Financial Officer; and
- (v) Such other officer termed as KMP by the Company

(vi) "Nomination and Remuneration Committee" shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI LODR Regulations.

(vii) "Policy or This Policy" means, "Nomination and Remuneration Policy."

(viii) "Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

(ix) "Senior Management" means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the Board of Directors, including all the functional heads.

IV. INTERPRETATION

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, SEBI LODR Regulations and/or any other SEBI Regulation(s) as amended from time to time.

V. GUIDING PRINCIPLES

The Policy ensures that:

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the Management team. Directors of the quality required to run the Company successfully
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and
- Remuneration to Directors, Key Managerial Personnel 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.

VI. ROLE OF THE COMMITTEE

The role of the Committee inter alia will be the following:

a) To formulate a criteria for determining qualifications, positive attributes and independence of a Director.

b) Formulate criteria for evaluation of Independent Directors and the Board.

c) Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.

d) To carry out evaluation of every Director's performance.

e) To recommend to the Board the appointment and removal of Directors and Senior Management.

f) To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.

g) Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

h) To devise a policy on Board diversity.

i) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

j) To perform such other functions as may be necessary or appropriate for the performance of such duties.

VII. MEMBERSHIP

a) The Committee shall comprise at least three (3) Directors, all of whom shall be non-executive Directors and at least half shall be Independent.

b) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and other applicable statutory requirements.

c) Minimum two (2) members shall constitute a quorum for the Committee meeting.

d) Membership of the Committee shall be disclosed in the Annual Report.

e) Term of the Committee shall be continued unless terminated by the Board of Directors.

VIII. CHAIRMAN

a) Chairman of the Committee shall be an Independent Director.

b) Chairperson of the Company may be appointed as a member of the Committee but shall not Chair the Committee.

c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.

d) Chairman of the Nomination and Remuneration Committee should be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

IX. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required.

X. COMMITTEE MEMBERS' INTERESTS

a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

XI. VOTING

a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

XII. SECRETARY

The Company Secretary of the Company shall act as the Secretary to the Committee.

XIII. APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

- **Appointment criteria and qualifications:**

    1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
    2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
    3. The Company shall not appoint or continue the employment of any person as Managing Director/ Whole-time Director/Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

- **Term / Tenure:**

    1. Managing Director/Whole-time Director/Manager (Managerial Person): - The Company shall appoint or re-appoint any person as its Managerial Person for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of such term.
    2. Independent Director:

        - An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
        - No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
        - At the time of appointment of Independent Director it should be ensured that number of Boards on which such person serves as an Independent Director is restricted to seven listed companies in case such person is serving as a whole-time director/managing director of a listed company it shall further be restricted to three listed companies.

- **Evaluation:**

    The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management at regular intervals (yearly).

- **Removal:**

  Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.

- **Retirement:**

  The Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

XIV. PROVISIONS RELATING TO REMUNERATION OF MANAGERIAL PERSON, KMP AND SENIOR MANAGEMENT

- **General:**

1. The remuneration / compensation / commission etc. to Managerial Person, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required under law.
2. The remuneration and commission to be paid to Managerial Person shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders whenever required under law. Increments will be effective from the date of reappointment in respect of Managerial Person.
4. Where any insurance is taken by the Company on behalf of its Managerial Person, KMP and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

Remuneration to Managerial Person, KMP and Senior Management:

1. Fixed pay: Managerial Person, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.
2. Minimum Remuneration: If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.
3. Provisions for excess remuneration: If any Managerial Person draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

Remuneration to Non-Executive / Independent Director:

1. Remuneration / Commission: The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.
2. Sitting Fees: The Non- Executive / Independent Director may receive remuneration by way of fees

for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

3. Limit of Remuneration /Commission: Remuneration /Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

4. Stock Options: An Independent Director shall not be entitled to any stock option of the Company.

XV. MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be minuted and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board and Committee meeting.

XVI. DEVIATIONS FROM THIS POLICY

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case. The Board shall have such authority to approve deviations on the recommendation of the Nomination and Remuneration Committee.

XVII. AMENDMENTS TO THE POLICY

The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

Annexure C

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2026

(Form MR-3)

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
VRL Logistics Limited
Hubballi

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

Based on my verification of the VRL Logistics Limited'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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2026 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by VRL Logistics Limited, for the financial year ended on 31st March 2026 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and By-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;

(v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:

   (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, 2015 as;

   (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements Regulations, 2009 (SEBI ICDR Regulations, up to September 10, 2018 and SEBI ICDR Regulations, 2018 w.e.f September 11, 2018).

The Company has not dealt with Employee Stock Option Scheme and Employee Stock Purchase Scheme, Issue and Listing of Debt Securities, Redeemable Preference Shares, buy back of securities and therefore the following regulations are not applicable:

   (a) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

   (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   (c) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013

   (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

   (e) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018; and

(vi) Other laws applicable as per the representations made by the management;

   Carriage by Road Act 2007,

Motor Vehicles Act, 1988

The Carriage by Air Act 1972

The Petroleum Act 1934

The Food Safety and Standards Act 2006

Consumer Protection Act 1986

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, as per the explanations and representations received from the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that based on the information provided and representation made by the Company and on the basis of Compliance report taken on record by the Board, in my opinion adequate systems and processes exist in the Company to monitor and ensure Compliance with other laws applicable, rules, regulations and guidelines

I 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 during the period under review were carried out in compliance with the provisions of the Act.

In general, adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and wherever shorter notices were given, the same was given with the consent of all the Directors and such meetings were held with the participation of Independent Director/s 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.

As per the Minutes of the Meetings recorded, the decisions of the Board were unanimous, and no dissenting views have been recorded.

I further report that, based on the information provided and the representation made by the Company and also on the review of the compliance certificates/reports taken on record by the Board of Directors of the Company, in my opinion 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.

I further report that during the audit period,

a) During the year under consideration, the Company has issued 87468495 Equity shares of Rs.10/- each fully paid by way of Bonus Shares in the ratio of 1:1, increasing the paid-up capital of the Company from Rs. 87,46,84,950/- to Rs.174,93,69,900/-, after complying with the provisions of Companies Act 2013, SEBI Regulations and other applicable Laws.

b) There are some continuing civil/criminal proceedings pending with appropriate authorities/Courts and the same is not likely to have a major bearing on the Affairs of the Company.

Place: Bangalore
Date: May 18, 2026

R.Parthasarathy
ACS No.3667
C P No:838
UDIN: A003667H000372750
P/R No.6632/2025

This report is to be read with our letter of even date which is annexed as **Annexure A**, which forms an integral part of this report

‘Annexure A’ to the Secretarial Audit Report

To,
The Members,
VRL Logistics Limited
Hubballi.

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

1. 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.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company and the applicable financial laws such as Direct and Indirect tax laws have not been reviewed since the same are subject to review under Statutory Audit and Other Audit/s by designated professionals.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. 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 procedures on test basis.
6. 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.

Place: Bangalore
Date: May 18, 2026

R.Parthasarathy
ACS No.3667
C P No:838
UDIN: A003667H000372750
P/R No.6632/2025

SECRETARIAL COMPLIANCE REPORT OF VRL LOGISTICS LIMITED FOR THE FINANCIAL YEAR ENDED 31.03.2026.

I have examined:

(a) all the documents and records made available to us and explanation provided by VRL LOGISTICS LIMITED ("the listed entity"),

(b) the filings/ submissions made by the listed entity to the Stock Exchanges,

(c) website of the listed entity,

(d) any other document/ filing, as may be relevant, which has been relied upon to make this Report. for the financial year ended 31.03.2026 in respect of compliance with the provisions of:

  (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the regulations, circulars, guidelines issued thereunder; and

  (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the regulations, circulars, guidelines issued thereunder by the SEBI;

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:

(a) Securities and Exchange Board of India (LODR) Regulations, 2015;

(b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(d) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client and circulars/ guidelines issued thereunder;

The following regulations are excluded in this report in view of company not dealing with Employee Stock Option Scheme and Employee Stock Purchase Scheme, Buy Back of Shares, Issue and Listing of Debt/ Securities/ redeemable preference shares:

(a) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.

(c) The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021.

(d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations,2009; and

(e) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 and based on the above examination, I hereby report that, during the review period:

VRL LOGISTICS LIMITED, the listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder.

(f) I hereby report that, during the review period the compliance status of the listed entity with the following requirements:

Sr. No.	Particulars	Compliance Status (Yes/ No/NA)	Observations/Remarks by PCS*
1.	Secretarial Standards: The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India (ICSI).	Yes	-

2.	Adoption and timely up dation of the Policies: • All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities. • All the policies are in conformity with SEBI Regulations and have been reviewed & updated on time, as per the regulations/ circulars/ guidelines issued by SEBI.	Yes Yes	- -
3.	Maintenance and disclosures on Website: • The listed entity is maintaining a functional website. • Timely dissemination of the documents/ information under a separate section on the website. • Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which redirects to the relevant document(s)/section of the website.	Yes Yes Yes	- - -
4.	Disqualification of Director(s): None of the director(s) of the listed entity is/ are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity	Yes	-
5.	Details related to subsidiaries of listed entities have been examined w.r.t: (a) Identification of material subsidiary companies. (b) Disclosure requirement of material as well as other subsidiaries.	NA NA	Company has no subsidiaries
6.	Preservation of Documents: The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per policy of preservation of documents and archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	-
7.	Performance Evaluation: The listed entity has conducted performance evaluation of the board, independent directors and the committees at the start of every financial year/during the financial year as prescribed in SEBI Regulations.	Yes	-
8.	Related Party Transactions: (a) The listed entity has obtained prior approval of audit committee for all related party transactions; (b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the audit committee.	Yes NA	No such instances reported.
9.	Disclosure of events or information: The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	-
10.	Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	-

11.	Actions taken by SEBI or Stock Exchange(s), if any: No action(s) has been taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder (or) The actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges are specified in the last column.	No	No such instances reported.
12.	Resignation of statutory auditors from the listed entity or its material subsidiaries: In case of resignation of statutory auditor from the listed entity or any of its material subsidiaries during the financial year, the listed entity and / or its material subsidiary(ies) has / have complied with paragraph 6.1 and 6.2 of section V-D of chapter V of the Master Circular on compliance with the provisions of the LODR Regulations by listed entities.	No	No such instances reported.
13.	Additional non-compliances, if any: No additional non-compliances observed for any SEBI regulation/ circular/guidance note etc. except as reported above.	Nil	-

I further report that the provisions relating to disclosure requirements of Employee Benefit Scheme Documents in terms of regulation 46(2) (za) of the LODR Regulations are not applicable.

Assumptions & limitation of scope and review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to report based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial records and books of account of the listed entity.
4. This report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (LODR) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

Place: Bangalore
Date: May 18, 2026

R.Parthasarathy
ACS No.3667
C P No:838
UDIN: A003667H000372948
PR No.6632/2025

Annexure D

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. **A brief outline of the company's CSR policy.**

VRL Logistics Ltd. has always been committed to the cause of social service and has repeatedly channelized a part of its resources and activities, such that it positively affects the society socially, ethically and also environmentally. The Company has taken up various Corporate Social Responsibility (CSR) initiatives and enhanced value in the society. The Company has formulated a robust CSR Policy which encompasses its philosophy and guides its sustained efforts for undertaking and supporting socially useful programs for the welfare & sustainable development of the society.

CSR Object

The Company firmly believes that CSR is primarily, the responsibility of the Company in relation to the impact of its decisions and activities on the society and also the environment, through a transparent and ethical behavior which is:

(a) consistent with sustainable development and welfare of society,

(b) taking into account the expectations of stakeholders,

(c) is in compliance with applicable law, and

(d) is uniformly integrated and practiced throughout the Company.

Scope

In furtherance of its CSR objects, the Company proposed to meet its CSR obligation through a combination of one or more of the following:

i. CSR activities implemented by the Company on its own,

ii. CSR activities of the Company through an external trust/society/Implementation Agency.

2. **Composition of the CSR Committee**

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

Sl. No.	Name of the Director	Designation / Nature of Directorship	Number of meetings during the year	
			Held	Attended
1	Dr. Vijay Sankeshwar	Chairman	3	3
2	Dr. Anand Sankeshwar	Member	3	3
3	Mr. Vinay J Javali	Member	3	3
4	Mr. Virupaxagouda A Patil	Member	3	3

3. **Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.**

CSR Policy

The Committee, with the approval of the Board, has adopted the CSR Policy as required under Section 135 of the Companies Act, 2013. The CSR policy of the Company is hosted on our website at https://vrlgroup.in/investor_download/CSR%20POLICY.pdf

The composition of the CSR committee is also available on our website, at https://vrlgroup.in/vrl_investors_desk.aspx?display=board_committees

The Board, based on the recommendation of the CSR committee, at its meeting held on May 18, 2026, has approved the annual action plan / projects for fiscal 2026-27, the details of which are available on our website, at https://www.vrlgroup.in/vrl_investors_desk.aspx?display=CSR_Annual_Action_Plan

4. **The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).**

Not applicable.

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:**

(₹ in lakhs)

Sl. No.	Financial Year	Amount available for setoff from preceding FY	Amount set off for FY 2025-26
1	2024-25	11.11	11.11

6. **Average Net profit of the Company as per section 135(5) :**

   The average net profits for the last three financial years computed as stated under Section 135 of the said act is ₹ 20,245.15 lakhs.

7. **(a) Two per cent Average net profit of the Company as per section 135 (5)**

   As stipulated under the Companies Act, 2013, the prescribed CSR expenditure i.e. 2 % of the amount as in item no.3 above comes to ₹404.90 lakhs.

   (b) Surplus arising out of the CSR projects or programs or activities of the previous financial years – Nil

   (c) Amount required to be set off for the financial year, if any - ₹11.11 lakhs

   (d) Total CSR Obligation for the Financial Year (7(a) + 7(b) – 7(c) - ₹393.79 lakhs

8. **(a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. (₹ in lakhs)	**Amount Unspent (in ₹)**				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of Transfer	Name of Fund	Amount.	Date of Transfer.
441.46	NIL	NA	NIL		

   (b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in Lakhs)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration Number
1	Promoting education by making programme support grant to 'VidyaVikasa Kendra Project', which focuses on social development of young and deserving students and 'Mahila Swavalabana Kendra Tailoring Centre Project', which focuses on providing vocational skill to women's, orphans, widows, slum dwellers. Both focus mainly on socially and economically weaker sections (EWS)	(ii)	Yes	Karnataka	Hubballi	50.00	No	Seva Bharati Trust	CSR00008871
2	Public sanitation by making charitable contributions towards development of Public utility cultural complex for promoting Indian heritage, arts, and community welfare & construction of Toilet Block for accessible sanitation facilities.	(i)	Yes	Karnataka	Dharwad	50.00	No	International Society for Krishna Consciousness	CSR00005587
3	Promoting education making donation aimed towards construction of hostel for higher education in Bengaluru for providing residential facility at free / concessional rates to the deserving students.	(ii)	No	Karnataka	Bengaluru	50.00	No	Sri Jagadguru Viswradhya Janakalyan Pratistana	CSR00089287

4	Promoting Education by donating Mini school bus to Shri Channabasaveshwar Primary School, Ulavi, which caters education of children's from socially and EWS.	(ii)	No	Karnataka	Uttara Kannada	25.95	No	Shri Chennabasaweshwar Trust Committee	CSR00090522
5	Promoting Healthcare by making donation aimed towards providing disabled patients with services including below knee leg, cosmetic limbs, crutches, walkers and calipers	(i)	Yes	Karnataka	Hubballi	25.00	No	Majethia Foundation	CSR00010565
6	Promoting traditional arts and culture by making donation aimed towards construction of Sabha Bhavan/ Community hall, which among other things is engaged in conducting classical musical events.	(v)	No	Karnataka	Bengaluru	17.70	Yes	NA	NA
7	Promoting Education by making donation towards Construction of 6 classrooms including administrative and kitchen services.	(ii)	No	Karnataka	Dakshina Kannada	15.00	No	Sneha Shikshana Samsthe	CSR00021925
8	Promoting Education by providing education to children's of EWS, supporting infrastructure needs of rural schools and conducting skill development programs for youth and women.	(ii)	Yes	Karnataka	Hubballi	15.00	No	Giants Education Society	CSR00093523
9	Rural Development by building and up gradation of houses and shelters in Hanagal for the Nomads.	(x)	No	Karnataka	Haveri	15.00	No	Nandadeepa Charitable Trust	CSR00048229

10	Promoting Healthcare by providing medical assistance for treatment of Ms. Samanvi Savadatti (an under privileged child) for Cochlear Implant Surgery in SDM College of Medical Sciences and Hospital	(i)	Yes	Karna-taka	Dhar-wad	15.00	Yes	NA	NA
11	Eradicating hunger and Promoting education by providing grant towards construction of Annaprasad Hostel, which will provide free meals to underprivileged children and deliver educational services to the needy.	(i) & (ii)	No	Karna-taka	Bijapur	15.00	No	Sri Guru Educational and Charitable Trust	CSR00093633
12	Promoting traditional art and culture by providing grant for 'Nadasiri', a Hindustani classical music festival event.	(v)	No	Karna-taka	Uttara Kan-nada	10.00	No	Swara Samvedana Pratisthana	CSR00072962
13	Setting up old age home and Orphanage by making charitable contribution for Construction of the same.	(iii)	Yes	Karna-taka	Dhar-wad	10.00	No	Shri Kanak Durga Vrudhashrama Hagu Anatha Makkal Ashram Seva	CSR00097987
14	Making available safe drinking water by donating 3 water purifiers at 3 different Schools across Dharwad.	(i)	Yes	Karna-taka	Dhar-wad	6.14	Yes	NA	NA
15	Promoting Education by providing grant to 'Pusthaka Project 2025', under which free books and stationary will be distributed in rural areas across Karnataka.	(ii)	No	Karna-taka	Ben-galuru	6.00	No	Pranav Founda-tion	CSR00039025
16	Promoting Education by providing operational support grant to Sahasrarjun Kannada Higher Primary School, an underfunded school by payment of salary to its teachers	(ii)	Yes	Karna-taka	Hub-balli	5.21	Yes	NA	NA

17	Promoting Education by grant of stationary to create Braille magazines for education of the visually impaired.	(ii)	Yes	Karna-taka	Hub-balli	5.17	Yes	NA	NA
18	Livelihood Enhance-ment Projects un-dertaken by making programme support grant to Christ Trust for conducting train-ing awareness pro-gram in the urban and rural areas and educating people on Govt. Schemes.	(ii)	No	Karna-taka	Ben-galuru	5.06	No	Christ Trust	CSR00076446
19	Eradicating hunger and malnutrition by making programme support grant to Niwala Sanstan for distributing free food for 1 month to family members of patients admitted at Zanana Govt. Hospital, Jaipur who are from underprivileged and EWS.	(i)	No	Ra-jasthan	Jaipur	5.04	No	Niwala Sanstan	CSR00023875
20	Promoting Sports by making grant to Office of the Chief Conservator of Forests, Dharwad for procuring kits and sports attire for State level sports meet conducted for the officers and staff of Forest Department.	(vii)	Yes	Karna-taka	Dhar-wad	5.00	Yes	NA	NA
21	Promoting Education by providing scholar-ship to Manish S Byali (an underprivileged) for his education in Navodaya Medical College, Raichur.	(ii)	No	Karna-taka	Raichur	5.00	Yes	NA	NA
22	Promoting Sports by providing financial as-sistance to Hubballi Half Marathon event, 2025.	(vii)	Yes	Karna-taka	Hub-balli	8.26	Yes	NA	NA

23	Promoting Healthcare by providing programme support grant for Cervical Cancer Vaccination Drive of underprivileged girls in Northern Karnataka.	(i)	Yes	Karnataka	Hubballi	4.80	Yes	NA	NA
24	Setting up incubation centre by providing assistance for the same to Jagadguru Gangadhar College of Commerce.	(ix)	Yes	Karnataka	Hubballi	24.94	Yes	NA	NA
25	Promoting Healthcare by aiding in medical assistance towards treatment of Mrs. Irakka Wali, a cancer patient.	(i)	Yes	Karnataka	Dharwad	3.44	Yes	NA	NA
26	Women empowerment by providing programme support grant for conduct of 'Women Conclave and TiECON Hubli 2026' programme for Celebrating Women Entrepreneurs	(iii)	Yes	Karnataka	Hubballi	3.00	No	The Indus Entrepreneurs Hubli	CSR00012057
27	Rural Development by donating 20 single and 20 double barricades to police station for rural areas.	(x)	Yes	Karnataka	Hubballi	2.87	Yes	NA	NA
28	Promoting Education by remitting of Mr. Shrinivasagouda Patil's 1st year in BE – Computer Science and Engineering at Shridevi Institute of Engineering and Technology, Tumakuru	(ii)	No	Karnataka	Tumkur	2.68	Yes	NA	NA
29	Environmental Sustainability by providing programme support grant for plantation of 1000 trees.	(iv)	No	Delhi	Delhi	2.60	No	Earth Day Network India	CSR00009022

30	Promoting Education by providing Remitting of fees to 3 girl students named Miss. Laxmi Krishna Basaragi, Miss Kavya Madiwalar and Miss. K Anagha, who secured remarkable performance in SSLC Examination for pursuing their higher education at Mangalore Independent PU College.	(ii)	Yes	Karnataka	Hubballi	2.25	Yes	NA	NA
31	Promoting Sports by providing grant to a person engaged in weight Lifting sports	(vii)	No	Karnataka	Gadag	2.20	Yes	NA	NA
32	Promoting Education by providing grant to Ashwa Racing, a Students Racing Team of RV College, Bengaluru which is in manufacturing phase of electric prototype for competing in Formula Student Hybrid + Electric Competition in New Hampshire, USA, in 2026.	(ii)	No	Karnataka	Bengaluru	1.50	No	Rashtriya Shiksha Samithi - RV College, Bengaluru	CSR00012218
33	Promoting Education by providing scholarship to Mr. Ravikumar C U (an under privileged) towards B. Tech education at Visvesvaraya Technological University, Belgavi for academic year 2025-26.	(ii)	No	Karnataka	Belagavi	1.16	Yes	NA	NA
34	Promoting Education by providing scholarship to Mr. Nandish Nemati (an underprivileged) for his PUC II year course at PACE U.M.P.U College for Academic year 2025-26.	(ii)	No	Karnataka	Shivamogga	1.10	Yes	NA	NA
35	Promoting Sports by providing grant to Ms. Trisha P Jadala, to participate in Asian Championship at South Korea.	(vii)	Yes	Karnataka	Hubballi	1.00	Yes	NA	NA

36	Promoting Education by remitting fees of Miss. Ashvika for graduation course in Naturopathy and Yogic Sciences (BNYS) at Swami Vivekananda Yoga Anusandhana Samsthana.	(ii)	No	Karnataka	Bengaluru	0.85	Yes	NA	NA
37	Promoting Healthcare by providing medical assistance to Miss. Padmavati V Tadas for her Eye Treatment at Vedaant Eye Care And Health Centre, Hubballi.	(i)	Yes	Karnataka	Hubballi	0.60	Yes	NA	NA
38	Promoting Education by providing educational assistance to Yashodeep, an underprivileged child studying in grade 5th for the academic year 2025-26 at Jnana Deepthi English school.	(ii)	Yes	Karnataka	Bengaluru	0.54	Yes	NA	NA
39	Promoting Education by providing educational assistance to Rashmitha H P, an underprivileged child studying in I standard for the academic year 2025-26 at St.Philomenas Public School.	(ii)	Yes	Karnataka	Bengaluru	0.38	Yes	NA	NA
	Total					**420.44**			

(d) **Amount spent in Administrative Overheads:** ₹ 21.02 Lakhs

(e) **Amount spent on Impact Assessment, if applicable:** NA

(f) **Total amount spent for the Financial Year (8b+8c+8d+8e):** ₹441.46 lakhs

(g) **Excess amount for set off, if any-**

Sl No.	Particular	Amount (in ₹ lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	393.79*
(ii)	Total amount spent for the Financial Year	441.46
(iii)	Excess amount spent for the financial year [(ii)-(i)]	47.67
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	47.67

**Amount derived from 7(d) above after setting off carry forward eligible.*

(h) **Details of Unspent CSR amount for the preceding three financial year: Not Applicable**

(i) **Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):** Not Applicable

9. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year.**
(asset-wise details).

(a) Date of creation or acquisition of the capital asset(s) -Not Applicable

(b) Amount of CSR spent for creation or acquisition of capital asset - Nil

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. - Nil

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital casset). Nil

10. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) –** Not Applicable

Dr. Vijay Sankeshwar
Chairman & Managing Director
(DIN: 00217714)
Place: Hubballi
Date: May 18, 2026

Dr. Anand Sankeshwar
Managing Director
(DIN: 00217773)
Place: Hubballi
Date: May 18, 2026

Annexure E

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo pursuant to the provisions of section 134 (3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014

A) CONSERVATION OF ENERGY

I) Steps taken by the Company or impact on conservation of energy

1. VRL is upgrading its fleet by integrating Bharat Stage VI (BS-VI) compliant vehicles, which offer improved fuel efficiency and reduced emissions.
2. Undertaking pro-active steps on Fuel management System by implementing advanced fuel monitoring systems to optimize fuel usage and regular maintenance of vehicles to ensure they are running efficiently.
3. Replacement of Diesel forklift with battery based forklift.
4. The Company makes optimum use of renewable energy by installing solar panels at company facilities and depots to reduce dependency on non-renewable energy sources.
5. For efficient energy and environment conservation, we have started replacing normal lead acid battery with lithium-ion batteries since the lead acid battery has an advantage of about 50 % efficiency as compared to lithium-ion batteries.
6. Undertaking Water Conservation by implementing water-saving technologies such as rain water harvesting in company facilities and reusing and recycling water where possible, especially in bigger transshipment hubs.
7. Ensuring Driver Training programs on a regular basis by way of conducting training to drivers in eco-friendly driving techniques to reduce fuel consumption and encouraging practices such as reduced idling and optimal speed maintenance.
8. Environmental Awareness Programs by way of conducting awareness campaigns for employees on the importance of environmental conservation and encouraging employee participation in local environmental initiatives and community clean-up drives.
9. Addition of new green vehicles to the fleet.
10. Utilizing energy-efficient lighting and equipment in offices and warehouses.

II) The steps taken by the Company for utilizing alternate sources of Energy

The Company has taken various steps to utilize alternate source of energy as detailed below :

a. USE OF BIOFUELS

VRL pioneered usage of Bio diesel for its CV fleet and our past reports amply demonstrate the large quantity usage of this fuel source. However, during the last few years the same was not possible owing to short supply and unviable pricing of the same.

b. ADOPTION OF ELECTRIC VEHICLES (EVS)

Increasing the number of electric vehicles in their delivery and transportation fleet. During the year the Company added 12 EV autos and 19 E-scooters to its fleet.

c. UTILIZATION OF SOLAR ENERGY

Solar Panel Installation:

- Installing solar panels on the rooftops of warehouses, offices, and other facilities.
- Utilizing solar energy to power lighting and other electrical equipment in their premises.

III) The capital investment energy conservation equipment

A sum of ₹40.39 lakhs was incurred for the procurement of smaller electric vehicles for branch operations and local deliveries.

B) TECHNOLOGY ABSORPTION

Disclosure of Particulars with respect to Absorption of Technology etc.,

i. Efforts, in brief, made towards absorption, adaptation and innovation - **NIL**

ii. Benefits derived as a result of the above efforts, e.g. products, improvement, cost reduction, product developments, import substitution etc. - **NIL**

iii. In case imported technology (imported during the last 5 years reckoned from the beginning of the financial year) - **NIL**

iv. Research and Development:

1. **Specific Areas in which R & D is carried out by Company -** Nil
2. **Benefits Derived out of above R &D. -** Not Applicable
3. **Future plan of action**

   The initiative stated above would be continued for implementation. Our team is on constant search for new initiatives to come up with newer and better conservation methodologies
4. **Expenditure on R&D**

a)	Capital	No specific allocation is made in terms of R&D expenditure
b)	Recurring as a percentage of turnover.	

The same is an ongoing process. Total and costs incurred on the same are expensed off.

C. FOREIGN EXCHANGE EARNINGS AND EXPENDITURE – NIL

All the spare parts and components purchased during the year were indigenously procured.

Annexure F

A. Statement of particulars of Employees pursuant to Rule 5 (1) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. The ratio of the remuneration of each Director to the median remuneration of the employee for the financial year

Sl. No.	Name	Designation	Ratio of Remuneration
1	Dr. Vijay Sankeshwar	Chairman & Managing Director	207:1
2	Dr. Anand Sankeshwar	Managing Director	150:1
3	Mr. L. R. Bhat	Executive Director	83:1

Notes:

- None of the other directors are paid any remuneration other than sitting fees. As such their names are not included in the above table.
- Considering the industry in which the Company operates, it is pertinent to note that a majority of the employees of the Company comprise of Drivers, Cleaners, Mechanics and Hamals whose salary would be as per the industry standards.
- Computation of median as detailed above is arrived at also considering the salary drawn by said drivers, cleaner, mechanics and hamals.
- Computation of the said median salary is purely based on the expenditure recognized under employee cost to the Company which excludes other allowances and incentives drawn by these employees which are accounted under Operating Expenses.

2. The percentage increase in remuneration of each Director, CFO, CS in the financial year

Sl. No.	Name	Designation	Increase / (Decrease) in %
1	Dr. Vijay Sankeshwar	Chairman & Managing Director	7.83
2	Dr. Anand Sankeshwar	Managing Director	-
3	Mr. L. R. Bhat	Executive Director	10
4	Mr. Sunil Nalavadi	Chief Financial Officer	6.67
5	Mr. Aniruddha Phadnavis	Company Secretary	5.20

Note: None of the other directors are paid any remuneration except sitting fees and reimbursement of expenses for attending Board and Committee meetings. The details of sitting fees paid are given in the report on Corporate Governance which forms part of this Annual Report

3. The percentage increase in the median remuneration of employees in the financial year

The increase in the median remuneration during the year was to the extent of 25%. This was owing to a significant emolument increase effected across the company at all levels of employees..

4. The number of permanent employees on the rolls of the Company

There were 21,511 employees as on March 31, 2026.

5. Average percentile increase already made in the salaries of employees other than the Managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

As can be seen from the above, the percentile increase in the managerial remuneration / KMP remuneration is significantly lower than that in respect of other employee remuneration. This was owing to a significant emolument increase effected across the company at all levels of employees.

6. Affirmation that the remuneration is as per the remuneration policy of the Company

The remuneration paid is in accordance with the remuneration policy of the Company.

B. Statement of particulars of employees pursuant to rule 5(2) of Companies (Appointment and Remuneration of Key Managerial Personnel) Rules, 2014

i. Employed throughout the year and were in receipt of remuneration of not less than Rs.102 Lakhs per annum

SL No	Name & Qualification	Age, Designation	Remu-neration (₹ in Lakhs)	Exp in Yrs	Date of Joining	Previous employment/ position held of employment
1	Dr. Vijay Sankeshwar B.Com	75, Chairman & Managing Director	496.00	51	31.03.1983	-
2	Dr. Anand Sankeshwar B.Com	51, Managing Director	360.00	36	01.12.1990	-
3	Mr. L R Bhat D.M.E	67, Executive Director	198.04	45	01.07.1995 (reappointed on 14.03.2014)	14 year service in Ashok Leyland Limited as Deputy Manager.
4	Mr. Sunil Nalavadi B.Com, ACA.	48, Chief Financial Officer	192.04	21	31.03.2005	Started his career in the Company as Chief Accounts Officer
5	Mr. Aniruddha Phadnavis B.Com, ACA, ACS, LLB,	46, Company Secretary & Compliance Officer	169.84	21	01.06.2007	3 year service in Canara Bank as a Manager.

ii. Employed for a part of the year and were in receipt of remuneration of not less than Rs.8.50 Lakhs per month : NIL

C. Top 10 employees in terms of remuneration

SL No	Name & Qualification	Age, Designation	Remu-neration (₹ in Lakhs)	Exp in Yrs	Date of Join-ing	Previous employment/ position held of employment
1	Dr. Vijay Sankeshwar B.Com	75, Chairman & Managing Director	496.00	51	31.03.1983	------------
2	Dr. Anand Sankeshwar B.Com	51, Managing Director	360.00	36	01.12.1990	------------
3	Mr. L R Bhat D.M.E	67, Executive Director	198.04	45	01.07.1995 (re-appointed on 14.03.2014)	14 year service in Ashok Leyland Limited as Deputy Manager.
4	Mr. Sunil Nalavadi B.Com, ACA	48, Chief Financial Officer	192.04	21	31.03.2005	Started his career in the Company as Chief Accounts Officer.
5	Mr. Aniruddha Phadnavis B.Com, ACA, ACS, LLB	46, Company Secretary & Compliance Officer	169.84	21	01.06.2007	3 year service in Canara Bank as a Manager.
6	Mr. Raghavendra B Malgi B.Com, LLB, ACA	57, Vice President – Accounts	70.44	20	01.06.2009	2 year's service as Chief Accounts Officer in Gokak Textiles Ltd. and 7 year's service as Senior Manager (Accounts) in Somaiya Group.
7	Mr. Bapu U Makkannavar BE (Auto)	55, Vice President	40.33	30	01-02-2014	Started his career in the Company as Engineer.

8	Mr. Praveen Singh	44, Vice President	38.40	19	01-03-2007	Started his career as an in-charge at Deepak Transport for two years and later worked as a Marketing Executive at DRL Roadlines Pvt. Ltd. for one year prior to joining the Company.
9	Mr. D. N. Kulkarni B.Com.	66, Vice President (Finance)	32.80	39	01-11-1987	Started his career in the Company as Accountant.
10	Mr. C. M. Baluti B.Com.	68, Vice President	29.84	27	01-04-1986	Started his career in the Company as Branch Assistant.

Notes:

1. Remuneration shown above includes salary and perquisites.
2. The monetary value of perquisites is calculated in accordance with the provisions of the Income Tax Act, 1961 and Rules made there under.
3. Nature of Employment of the Executive Directors as stated above is contractual. The other individuals named above are employees of the Company.
4. None of the employees listed above held any shares in the Company as of 31.03.2026 except Dr. Vijay Sankeshwar who held 4,95,61,128 equity shares (28.33% of the paid up capital of the Company), Dr. Anand Sankeshwar who held 5,49,81,642 (31.43% of the paid up capital of the Company) equity shares and Mr. L R Bhat who held 4,194 equity shares jointly with his spouse.
5. Dr. Vijay Sankeshwar, Dr. Anand Sankeshwar and Mr. Shiva A Sankeshwar are related to each other.

Dr. Vijay Sankeshwar
Chairman & Managing Director
DIN: 00217714
Place: Hubballi
Date: May 18, 2026

Dr. Anand Sankeshwar
Managing Director
DIN: 00217773
Place: Hubballi
Date: May 18, 2026

India's Logistics Industry: A Comprehensive Overview

The logistics sector acts as the backbone of any rapidly developing economy. For India, a nation pursuing ambitious macroeconomic targets and positioning itself as a cornerstone of global supply chains, logistics efficiency is nothing short of vital. As of 2026, the Indian logistics industry is experiencing a profound structural transformation. Historically characterized by severe fragmentation, high reliance on unorganized players, and persistent infrastructural bottlenecks, the sector is rapidly evolving into a cohesive, technology-driven, and multimodal ecosystem

This evolution is not merely an incremental upgrade. Through decisive governmental intervention, aggressive digitization, and a massive influx of capital expenditure, India's logistics cost as a percentage of GDP is steadily approaching global benchmarks. What was once viewed purely as an operational necessity has now become a strategic differentiator for the nation's "Make in India" initiative and its booming digital economy.

Current Landscape and Market Dynamics

The sheer scale of the Indian logistics market underscores its economic importance. In 2026, the market size is estimated to be well over USD 240 billion, with projections indicating a compound annual growth rate (CAGR) of 6.5% to 8%, potentially pushing the market valuation toward USD 426 billion by 2034. This growth is sustained by rising domestic consumption, export-oriented manufacturing, and the explosive, continued expansion of e-commerce and quick-commerce.

The Modal Mix

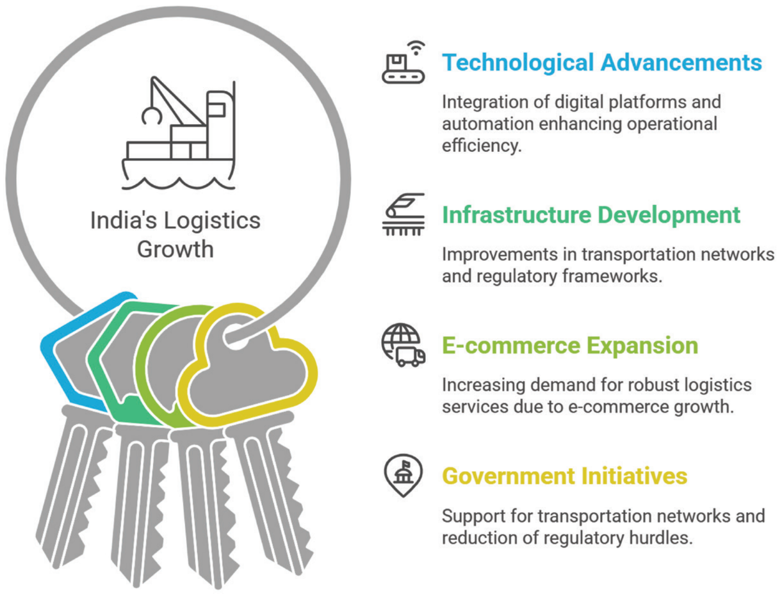
- **Road Transport:** Accounts for about **60% of freight movement**, supported by the extensive highway and Road network.
- **Rail Transport:** A crucial part of bulk logistics, especially for commodities like coal, iron ore, and cement.
- **Air Cargo:** Mostly used for high-value, time-sensitive shipments, including pharmaceuticals and electronics.
- **Waterways & Ports:** India’s maritime trade is expanding, leveraging inland and coastal shipping for cost-effective bulk transportation.

Currently, the movement of freight in India remains heavily skewed toward road transport, which commands roughly 60% of the modal share. Road freight owes its dominance to its unparalleled flexibility and crucial last-mile reach.

Indian Railways is expanding its freight capabilities aggressively, aiming to handle 45% of total freight by 2030 through the operationalization of Dedicated Freight Corridors (DFCs).

Furthermore, coastal shipping and inland waterways are emerging as highly viable, low-cost alternatives. With over 30 National Waterways currently operational, cargo movement via inland water transport has surged, demonstrating a clear shift toward greener, multimodal logistics

Drivers of India's Logistics Growth



Catalysts for Transformation: Policy and Infrastructure

The paradigm shift in India's logistics sector is largely driven by a cohesive alignment between policy frameworks and massive infrastructural rollout. Two pillars stand at the core of this transformation: the PM Gati Shakti National Master Plan and the National Logistics Policy (NLP).

PM Gati Shakti & National Logistics Policy (NLP)

Launched to break down bureaucratic silos, the PM Gati Shakti Master Plan integrates over 39 ministries and multiple state governments onto a unified, GIS-based digital platform. This ensures that roads, railways, ports, and airports are developed as part of a synchronized multimodal network rather than isolated projects. Complementing this physical integration is the National Logistics Policy, introduced to streamline regulations, enhance digital tracking, and lower the overall cost of logistics from the historical 13-14% of GDP down to the global standard of 8-9% .

Infrastructure Expansion

Capital expenditure on infrastructure has yielded unprecedented results. The National Highway network has expanded massively. Simultaneously, the establishment of Multi-Modal Logistics Parks (MMLPs) across the country is creating centralized hubs for freight aggregation and distribution, warehousing, and customs clearances. Additionally, the Gati Shakti Multi-Modal Cargo Terminals (GCT) policy has already commissioned over 100 modern cargo terminals, drastically reducing the detention time of rolling stock and maximizing asset utilization.

Digitization and the Tech-Enabled Supply Chain

Infrastructure alone cannot solve systemic inefficiencies without data visibility. The Indian logistics sector is currently undergoing a digital renaissance. The Unified Logistics Interface Platform (ULIP) integrates various disparate tracking systems (like FASTag for tolls and E-Way bills for tax compliance) into a single overarching dashboard. This provides logistics operators and manufacturers with real-time, end-to-end visibility of their cargo.

In the private sector, there is an accelerated adoption of AI, Internet of Things (IoT), and Machine Learning. Advanced Warehouse Management Systems (WMS) are optimizing inventory control, while predictive analytics are being utilized for route optimization and demand forecasting. The rise of Third-Party (3PL) and Fourth-Party Logistics (4PL) providers indicates a maturing market where businesses prefer outsourcing complex supply chain operations to specialized, tech-forward partners.

The Future Outlook (2026 - 2034)

Looking ahead, the future of India's logistics sector is defined by three major macro-trends: Sustainability, Global Supply Chain Integration, and Specialized Warehousing.

Green Logistics and Sustainability

As India targets net-zero carbon emissions, the logistics sector is facing mounting pressure to decarbonize. The coming decade will witness an aggressive transition toward Electric Vehicles (EVs) in the last-mile and mid-mile delivery segments. E-commerce giants and 3PL providers are already deploying large EV fleets to meet ESG (Environmental, Social, and Governance) targets. Furthermore, the deliberate modal shift from road to rail and waterways is expected to drastically cut the sector's overall carbon footprint.

Specialized Warehousing & Cold Chain

The surge in domestic pharmaceutical production, organized retail, and agro-processing is fueling the demand for specialized, temperature-controlled warehousing. Grade-A warehouses, equipped with automation, robotics, and climate control, are attracting massive institutional investment. The establishment of a robust national cold-chain grid will not only reduce agricultural wastage but also ensure the secure global distribution of Indian pharmaceuticals.

A Global Manufacturing Hub

Ultimately, the modernization of India's logistics ecosystem is the linchpin of its integration into global value chains. By reducing turnaround times at ports, cutting transit variability through dedicated freight corridors, and lowering the baseline cost of moving goods, India is presenting itself as an increasingly attractive, resilient 'China Plus One' manufacturing alternative.

The Significance of Roadways in the Indian Logistics Landscape

The Indian logistics sector is a foundational pillar of the nation's rapidly expanding economy, currently valued at over USD 240 billion. Within this vast, intricate supply chain network, roadways represent the undisputed backbone of freight movement. Handling approximately 60% to 65% of the total freight traffic in the country, the road transport ecosystem is vital for sustaining domestic trade, supporting export-oriented manufacturing, and bridging the urban-rural divide. Unlike railways, coastal shipping, or aviation, roadways offer unparalleled flexibility, making them the most significant modality in India's multimodal logistics landscape.

1. Unmatched Reach and Last-Mile Connectivity

The primary advantage of road transport in India is its sheer reach and capacity for door-to-door service. India possesses the second-largest road network in the world, spanning over 6.3 million kilometers. This extensive web of National Highways, State Highways, and rural roads ensures that industrial outputs, agricultural produce, and consumer goods can reach the most remote corners of the subcontinent. In an era dominated by the e-commerce boom and quick-commerce models, last-mile connectivity has become a non-negotiable requirement. Roadways are the only medium capable of delivering packages directly from massive fulfillment centers on the outskirts of metropolitan areas to individual consumers in tier-2, tier-3, and rural markets.

2. Flexibility and Adaptability

Roadways offer a level of operational flexibility that railways and airways cannot match. Logistics providers can customize routes on the fly to avoid traffic bottlenecks, adapt to sudden changes in supply chain demands, and cater to variable load sizes ranging from less-than-truckload (LTL) to full-truckload (FTL) shipments. This adaptability is particularly crucial for India's massive agricultural sector, which relies heavily on the timely transport of perishable goods. The availability of specialized vehicles, such as temperature-controlled reefer trucks, has further enhanced the road sector's ability to support the pharmaceutical and food processing industries.

3. Infrastructure Push and Policy Enablers

Recognizing the criticality of road logistics, the Government of India has aggressively ramped up capital expenditure on highway construction. Initiatives like the Bharatmala Pariyojana have focused on optimizing the efficiency of freight movement across the country by bridging critical infrastructure gaps. The pace of highway construction has seen a massive surge, aiming to reduce transit times and lower the overall logistics cost historically hovering around 13 -14% of GDP to a target of 8 - 9%.

Furthermore, the PM Gati Shakti National Master Plan and the National Logistics Policy (NLP) have institutionalized a multimodal approach. Under these frameworks, road networks are being seamlessly integrated with upcoming Dedicated Freight Corridors (DFCs), Multi-Modal Logistics Parks (MMLPs), and major ports. This ensures that roads serve as highly efficient feeder routes to high-capacity rail and water transport systems.

4. Digitization and Formalization of Fleet Operations

Historically, the Indian road transport sector has been highly fragmented, with over 80% of fleet owners possessing fewer than five trucks. However, the landscape is undergoing rapid formalization and digitization. The mandatory implementation of FASTag has drastically reduced waiting times at toll plazas, saving thousands of crores in fuel and minimizing vehicular emissions. Similarly, the introduction of the E-way bill system under the GST regime has streamlined interstate cargo movement, eliminating the notorious border checkpoints that previously crippled transit efficiency.

Technological integration through GPS tracking, telematics, and platforms like the Unified Logistics Interface Platform (ULIP) has brought unprecedented visibility to road freight. Fleet operators can now optimize routes, monitor driver behavior, and provide real-time tracking to clients, significantly boosting the reliability of road logistics.

5. Challenges and the Path Toward Sustainability

Despite its dominance, the roadway logistics sector faces significant challenges. The heavy reliance on diesel-powered trucks makes road freight highly vulnerable to volatile crude oil prices and a major contributor to greenhouse gas emissions. As India commits to ambitious net-zero targets, the logistics sector is under pressure to decarbonize.

The future of Indian road logistics lies in green mobility. The ecosystem is witnessing a gradual shift toward alternative fuels like Liquefied Natural Gas (LNG) for heavy commercial vehicles and a rapid adoption of Electric Vehicles (EVs) for last-mile and mid-mile delivery. Supported by government subsidies and ESG mandates from corporate shippers, the electrification of delivery fleets is poised to transform the environmental footprint of road logistics.

Conclusion

The Indian logistics industry in 2026 is no longer a disjointed sector of unorganized truckers and scattered warehouses; it is a vital, dynamic, and rapidly formalizing engine of economic growth. Through sustained capital investment, visionary policies like PM Gati Shakti, and relentless digital innovation, the industry is overcoming its historical bottlenecks. As it navigates the path toward greater sustainability and deep multimodal integration, the sector is poised not only to power India's domestic consumption boom but to cement the nation's status as a formidable global economic powerhouse. Roadways are the lifeblood of the Indian logistics industry. While initiatives are underway to shift bulk cargo to railways and waterways to create a more balanced multimodal mix, road transport will irrepressibly maintain its dominance due to its flexibility, deep penetration, and critical role in last-mile fulfillment. Through continued infrastructure development, aggressive digitization, and a pivot toward sustainable fuels, the Indian road logistics sector is transforming into a modernized, highly efficient engine capable of powering India's journey toward becoming a global economic powerhouse.

Sources & References

1. Ministry of Road Transport and Highways (MoRTH), Government of India. 'Annual Report 2024-2025'.
2. Ministry of Finance, Government of India. 'Economic Survey of India 2024-25' (Chapter on Infrastructure and Logistics).
3. Department for Promotion of Industry and Internal Trade (DPIIT). 'National Logistics Policy Framework & PM Gati Shakti Updates'.
4. Invest India, National Investment Promotion & Facilitation Agency. 'Logistics and Supply Chain Sector Overview'.
5. NITI Aayog & RMI. 'Transforming Trucking in India: Pathways to Zero-Emission Transport'.
6. Ministry of Commerce and Industry, Government of India. "Logistics Ease Across Different States (LEADS) Report 2025".

2. SWOT ANALYSIS

STRENGTHS

With an extensive network around the Country, VRL Logistics is able to provide personalized, localized support to our clients no matter where they are. VRL's core strength is its large size and scale of operations undertaken on a pan India basis with the largest owned vehicle fleet. We take pride in our extensive fleet of modern, well-maintained vehicles that are optimized for efficiency and reliability. Our diverse fleet includes a wide range of trucks, trailers, and specialized equipment to handle varied freight requirements. Our vehicles are regularly serviced and inspected to meet the highest industry standards.

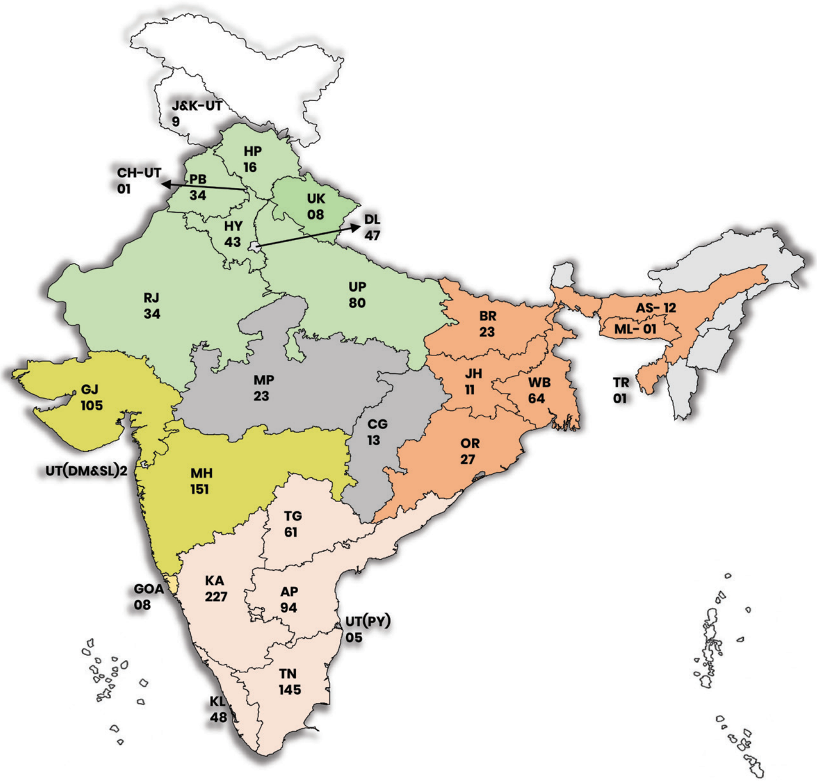
Backed by a legacy of five decades, we operate one of the largest distribution networks in India as the premier 'Asset-Right' organized player in the Less than Truckload (LTL) logistics sector. Our expansive geographical footprint provides us with robust resilience and stability, ensuring consistent service during regional disruptions.

VRL is a well-established brand in the country when it comes to surface transportation and the industry leader in the parcel transportation space. As on 31st March 2026, the Company operated with the total of 5932 owned vehicles having carrying capacity of 81700 tons across 1293 branches which includes several owned premises, branches, offices and transhipment hubs

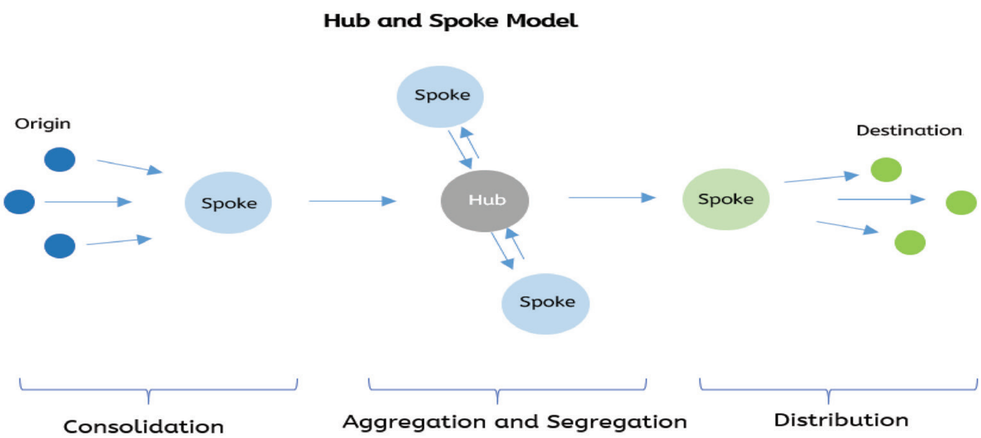
We maintain our stand that your Company also occupies the leadership position in the country for Less than Truck Load (LTL) movement of goods and it is only the absence of validated industry data that prevents us from emphatically acclaiming this fact.

The two major advantages that your Company enjoys over its competition are its well established wide network of branches and franchisees and its owned fleet of commercial vehicles with dedicated in-house vehicle body designing and vehicle maintenance facilities to cater to parcel transportation. Your Company is also the largest fleet owner of commercial vehicles in the Country's private sector and the same enables the Company to set unparalleled standards in the movement of LTL cargo in India through Hub and Spoke model in terms of service levels and safety of consignments.

The below figure depicts the Network and Reach of the Company.



The Company operates through a hub and spoke model which helps in utilization of vehicle capacity to optimal levels. The below figure depicts the 'Hub and Spoke' consignment delivery model followed by the Company.



The hub-and-spoke model creates numerous benefits, including:

- Continuous movement for loads thanks to centralized handoffs.
- Reduced lengths-of-haul, which improve scheduling, reduce transit time and help drivers
- Consistent on-time performance, which enhances service levels and ensures consignments arrive in the right place at the right time.
- Improved driver recruiting and retention. This produces additional benefits, including higher tenure, route consistency, increased transit dependability, performance, and improved safety.

- Reduced costs and enhanced productivity
- Lower carbon footprint, because few empty miles driven reduces fuel consumption and emissions.
- Consistent pricing.
- Vehicle utilization: Optimum utilization of vehicles due to efficient load distribution

The policy at VRL is to own its vehicles for offering LTL services as also own significant infrastructure facilities comprising of warehouses and maintenance facilities. Our dedicated in-house IT setup remains our core competitive advantage, driving operational control, cost efficiencies, and business agility over the years. The entire IT infrastructure of the Company is operated internally and the in-house developed ERP enables the Company to seamlessly operate on an online real time basis across all its business verticals as also integration with franchisees and select customers. Your Company also has built up capability to maintain its owned vehicle fleet internally and the cost savings arising out of economies of scale by way of tie-ups with fuel suppliers, vehicle manufacturers for supply of spare parts, tyres etc., as well as ongoing in-house R&D in this domain have enabled the Company to utilize its vehicles for a significantly longer term vis-à-vis the industry as also at significantly lesser maintenance costs.

In FY26 Fuel cost was 24.91% of our total expenditure, Fuel costs continue to constitute a substantial portion of operational expenditure in the logistics sector. To mitigate price volatility and ensure consistent availability, we have established company-owned fuel stations at strategic locations. These outlets source fuel directly from refineries, enabling us to bypass intermediaries, maintain price stability, and secure uninterrupted supply—strengthening both cost efficiency and fleet reliability.

Your Company benefits from in-house research and development with a capability to implement its findings and experiment with newer products and technologies on its owned vehicles. Several of its key findings have today been accepted and implemented even by vehicle manufacturers. In combination with own vehicle body designing facility with technology to fabricate lighter and longer bodies, that reduces the overall weight of the vehicle and ensure higher payload, and also with combination of multiple types of commodities handling such as heavy and bulk consignments inside goods carriages, the goods carriages are being utilized at higher capacity as compared to the earlier periods.

Overall, the in-house maintenance facility helps the Company to better utilize its fleet vis-a-vis competition as the vehicles owned by the Company can be used for longer period of time vis-à-vis outside vehicles. Also ~14% of the Goods transportation vehicles are fully depreciated ensuring vehicle fleet availability with no additional depreciation costs. Also ~77% of the Goods Transportation fleet is debt free with no associated finance costs.

Your Company also has a very well diversified customer base of ~10 lakhs plus across the various Industrial Sectors. During FY 2025-26, the Company's largest customer and the top 10 customers put together contributed only 1% and 3% of the revenues of the Goods Transport business respectively. VRL has the lowest trade receivables in the industry. This has ensured that the Company has no dependencies on any specific customers or product categories. Similarly, there are no geographical or product related dependencies for the business which better insulates your Company vis-à-vis competition.

With emphasis on connectivity, the management have taken steps to identify and expand the branch network. Going further this would lead to opening of newer business premises and help into tapping newer sectors from which the company would greatly benefit.

WEAKNESSES, RISKS AND CONCERNS

The transportation and logistics sector is grappling with several structural challenges such as:

- Fuel price fluctuations
- Shortage of trained drivers and labour
- Increase in toll charges due to more & more roads being covered under toll as also frequent increase in rates of existing toll rates on tolled roads
- As the industry is fragmented, there are several intermediaries in the ecosystem leading to multiple cargo exchanges, thereby increasing costs and operational inefficiencies.
- Lack of end-to-end supply chain visibility and ability to track and trace the cargo remains a challenge for the service providers and customers.

The sector is also constantly grappling with inefficiencies, however, because of which the cost of Indian logistics is 13 to 14 percent of GDP (in developed nations these costs amount to 8 to 10 percent of GDP). These inefficiencies stem from three reasons:

1. The two most unorganized sectors dominate the logistics market road transport and warehousing. Road transport is particularly deeply fragmented—truck owners with fewer than five trucks constitute a majority of all goods vehicles on the road.

2. India's modal mix is heavily skewed towards road, with 60 to 65 percent of transport happening via road compared to 25 to 30 percent in developed countries, prompting higher costs. The use of inland waterways and coastal shipping is limited, while the containerization of cargo in rail remains minimal.

3. Indirect costs are high and include inventory carrying costs, theft and damages often because of poor planning, forecasting and lack of proper management of stock.

Your Company, being one of the organized players in this highly fragmented and unorganized market, stands to benefit as gradually businesses realize the costs of inefficiencies that smaller and regional operators present. Such gradual shift can be particularly seen after the post-pandemic economic revival also aided by a stricter GST regulatory environment.

Organizations have realized that they need to build networks that will allow them to adapt quickly and easily in a changing environment. Organizations will have to build systems that can optimize costs, accelerate transit times and diversify channels. For networks to adapt quickly and function smoothly, it is also important to build agile teams willing to change and adapt rapidly to the external environment. Swift reaction to disruptions can hasten change and minimize damage. Given the same as also the very nature of LTL freight being transacted, we believe that your Company would easily adapt to any given change being witnessed across markets as owning assets and operating offices across the country provides it with the requisite flexibility and option to moderate or reorganize any changes to freight movements.

The surface transport industry suffers from an acute driver shortage issue and the said problem also affects your Company. The management opines that this is the single most important factor that affects all the transporters across the country. Your Company is however relatively better placed in this regard. VRL offers best in class salaries and emoluments including incentives to its drivers which help retention of this cadre. The Company also has enlisted its drivers on its payrolls and extends all statutory benefits such as PF, ESI, Bonus, Gratuity etc. to its drivers apart from significant insurance coverage as well. The Company offers a good work environment as well and also takes care of their skill development by conducting routine training programs awareness camps for its drivers. Your Company also conducts frequent health checkup and health camps for the drivers so as to make them more health conscious. Shortages however still remain and your Company is striving to further encourage more and more individuals to take up driving profession by visiting potential villages and towns and trying to remove the stigma being associated with the driving profession. The management also propagates at several forums the necessity of a joint industry effort to overcome this problem which is only expected to become more challenging in the days to come.

Lack of owned infrastructure at key centers is another present day weakness in the management's opinion. The Company has established owned transshipment hubs at key locations like Bengaluru, Mumbai, Surat, Hubballi, Mysuru, Mangaluru, Vijayapura, Ballari and Davangere. Long term leases have also been entered into at key locations such as Chennai, Delhi, Hyderabad, Ahmedabad, Pune and Kolkata. Apart from this the company has Purchased properties at Ernakulam, Edapally, Vasanatanarsapura, Indore, Anantapur, Aroor, Trivandrum, Visakhapatnam, Vijayawada during this fiscal year. The size and key location of these properties make it ideal for future expansion plans to support the Company's growth objectives.

Owned infrastructure enables the company to set up good quality maintenance facilities as also better infrastructure for goods movement and material handling. The ownership of premises at such key business locations provides the Company with a lot of flexibility in conducting business operations and the same lead to considerable cost savings and also enables the Company to scale up its service levels. Setting up such owned infrastructure would however entail significant investments which in turn affect the return ratios and the management would need to balance the two so as to optimize stakeholder value as well as to cater to business growth for future. Your Company would continue gradually expanding its owned infrastructure at such key locations in the years to come.

OPPORTUNITY

The present day stabilization of the GST regime has necessitated several documentation requirements to which organized players are better suited. Be it e-waybill compliance and providing necessary information to the customers for their compliances etc.

E-invoicing was made mandatory for business entities with Turnover of Rs.500 crores and above from October-2020. This was further limited to Rs.20 Crores and above from April-2022. Now, with all business entities with turnover of Rs.5

crores and above required to e-invoice, this would further lay emphasis on entities being more compliant. This would present additional business opportunity to your Company as smaller businesses would now scout for better logistics services from a compliance perspective.

The vehicle scrappage policy is a government-initiated program to replace old vehicles from Indian roads. According to the new policy, commercial goods vehicles greater than 15 years will have to be mandatorily scrapped if they do not pass the fitness and emission tests.

The imminent implementation of scrappage policy is being tentatively viewed by the road transport industry as there would be a very significant reduction in the number of vehicles plying on the roads. This however would be a blessing in disguise for your Company. The eventual situation of higher demand for vehicles would work favorably and coupled with the inevitable freight rate hike caused by such policy implementation would lead to a higher margins for the Company. Also, given the internal expertise the company has on the vehicle maintenance front all useful spare parts from the vehicles getting scrapped would be available for usage apart from the one-time salvage income expected. It is pertinent to take note that any such scrappage would also not entail any hit to the Company's profitability as such older vehicles are fully depreciated.

Your Company has 814 vehicles which are more than 15 years old as of March 31, 2026 with a total capacity of 7620 tons i.e. 9.3% of total capacity & 13.7% of total vehicle count. The management has however ensured that orders for higher capacity replacement vehicles are already put in place.

THREAT

Fluctuations in fuel prices resulting from geopolitical developments, diesel de-regulation, lorry hire charges payable to third party vehicles and input costs especially those related to tolls as also others like rent, salary etc. have a significant bearing on the Company's profitability margins. These represent a significant portion of the operating costs and any inability to pass on the same in entirety affects profit margins adversely. In particular, the cost of fuel has increased in the recent years regularly and fluctuates significantly due to various factors which are beyond our control. Historically, due to low customer dependencies, the Company has been in a position to pass on predominantly or at times even completely such increases to customers through periodic increase in freight rates. However, the ever present volatility represents a considerable threat to our result of operations.

The Company's operations could also be affected owing to development of newer policies by the different State Governments of the country. To quote an example, several states / cities have prohibited the entry of commercial diesel operated vehicles that are beyond a certain age. This necessitates the shifting of older vehicles and deploying these over other permitted routes which entails a cost. Also, one can never be certain as to when similar decisions would be implemented across other States and major cities which could affect us adversely.

The Company's business operations are totally dependent on the road network in India. There are various factors that affect the road network such as political unrest, bad weather conditions, natural calamities, regional disturbances or even third party negligence that can affect the condition of vehicles and cargo / passengers. Even though the Company undertakes various measures to avoid or mitigate such factors to the extent possible, some of these have the potential of causing extensive impact on operations and assets.

3. SEGMENT-WISE PERFORMANCE

For FY2025-26, The revenue from operations increased by 1.90% from ₹3,16,095 lakhs to Rs 3,22,111 lakhs. Including other income, the total revenue increased by 1.87% from ₹3,18,517 lakhs to ₹3,24,478 lakhs.

4. OUTLOOK

The gross GST revenue collection from April 2025 to March 2026 i.e. in the FY 2025-26 is estimated to be in the range of ₹22.90 – ₹23.00 lakh crores.

Further, mandatory e-invoicing being limited to ₹5 Crores and above has laid emphasis on even smaller entities on being more compliant. In the aftermath of the pandemic, financially strong and organized players stand to benefit at the expense of smaller and marginal players who dominate the industry. This was seen last year as well.

The inherent strength in our business model ensures that the Company is not dependent on any particular customer or industry for its revenues. In these difficult times, the available drivers and vehicles are being selectively deployed for Full Truck Loads and Parcels depending on return load and other ground level position as the situation warrants. We are transacting freight business coming our way and our entire team is engeged in retaining the existing customers as also appoaching potential customers for getting business. We do internal reviews and conduct focused state-region level meetings to increase the freight density in the local pockets for growth and we were encouraged by the response to such initiative. During the year, 97 new Branches were added. The said increase in the branches contributed to increase of overall delivery tonnage and the same is only expected to significantly increase in the days to come.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and the nature of its operations. The Internal Control function emanates at the Board level and its scope and authority of the Internal Audit function is well defined. To maintain objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board & to the executive Chairman and the Managing Director. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies across the Company. Based on the report of internal audit function, process owners undertake remedial action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

As regards the operation of internal controls, majority of these have been inbuilt in the internal procedures established by the organization which are also documented internally. These include in details the methodology to be adopted right from transacting bookings, effecting consignment deliveries, etc. and also describes the practices to be followed for the smooth operation of business. Inspection teams are formed at the head office level as well as at the transshipment level and cover the entire branch network of the Company periodically for exhaustive inspection for adherence to the set procedure. Deviation from the laid down procedure is escalated to the Functional heads as also directly to the Executive Directors.

The Company had laid down guidelines, policies, procedures and structure to enable implementation of appropriate internal financial controls across the company. These control processes enable and ensure the orderly and efficient conduct of company's business, including safeguarding of assets, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and timely preparation & disclosure of financial statements. There are control processes both on manual and IT applications including ERP applications, wherein the transactions were approved and recorded. Review and control mechanisms are built in to ensure that such control systems are adequate and operating effectively.

Other control processes are IT driven and the in-house information technology capabilities ensure that due flexibility is available in the system to further strengthen controls as the case may be. Your management appreciates the need to remain efficient in their workings and recognized their responsibility in establishing controls as also effectively implementing them and monitoring their effectiveness on a periodic basis.

Tech-Enabled Superiority in Every Kilometre

In-house developed ERP System	Enables real time operations and movement of consignments	Alternative and Backup Systems	To tackle disruptions, enable robust disaster recovery & business continuity infrastructure
Operations Monitoring System	Monitors vehicle movement, fuel consumption per km, distance travelled, driver payments	Tracking Capacity Utilization	Loading process tracked live to optimize vehicle utilization before Trip sheet preparation
Advanced Consignment Management system	To ensure real time tracking	GPS	GPS tracking devices in both hired and owned vehicles to monitor vehicle movement
E-way bill, E-invoice GST Compliance	Complete automation by API integration with Government Software	Real Time Report Generation	Ability to generate real time reports instantly from Smartphones
Private Cloud Hosting	Enhanced security	Customized Software alert systems	To track vehicle maintenance for route planning
Cash Management System(CMS)	API integration with banks for real time monitoring	Centralized CCTV monitoring	Monitoring of TPT operations; branch-wise rollout underway

Unlocking Trust with Technology - OTP-Based Vehicle Unlocking for Verified and Secure Deliveries

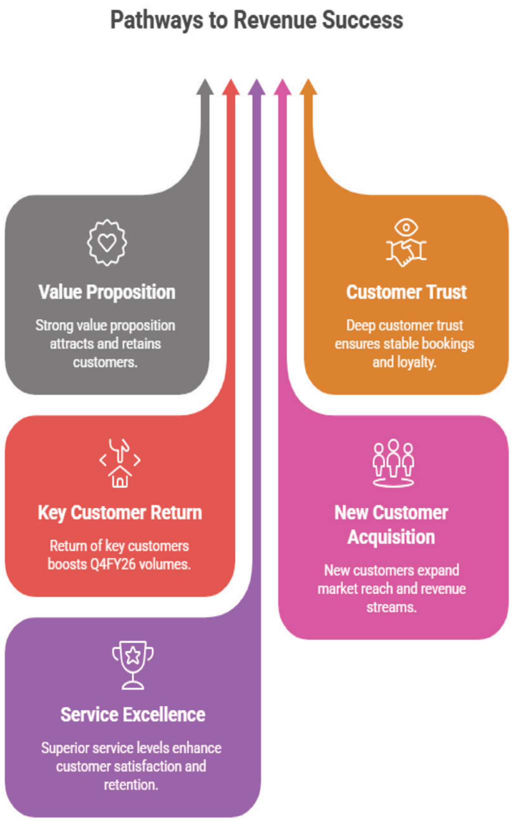
6. DISCUSSION ON FINANCIAL PERFORMANCE w.r.t. OPERATIONAL PERFORMANCE

(₹in lakhs)

Particulars	Year Ended 31 March, 2026	Year Ended 31 March, 2025
Revenue from operations	322111	316095
Other income	2367	2422
Total Income	324478	318517
EBITDA	67389	59841
Finance Costs	9498	9483
Depreciation and Amortisation of expenses	26103	25363
Profit Before Tax	31788	24995
Tax Expense	8105	6703
Profit for the Year (excluding other comprehensive income)	**23683**	**18292**

Financial Performance

The financial year commenced with a strong emphasis on rate rationalization and reforms in pricing strategy. Key initiatives included the identification and exit from low-margin and non-strategic businesses, enabling the Company to focus resources on profitable and sustainable growth segments. These measures have contributed to improved operational efficiency and enhanced margin stability.



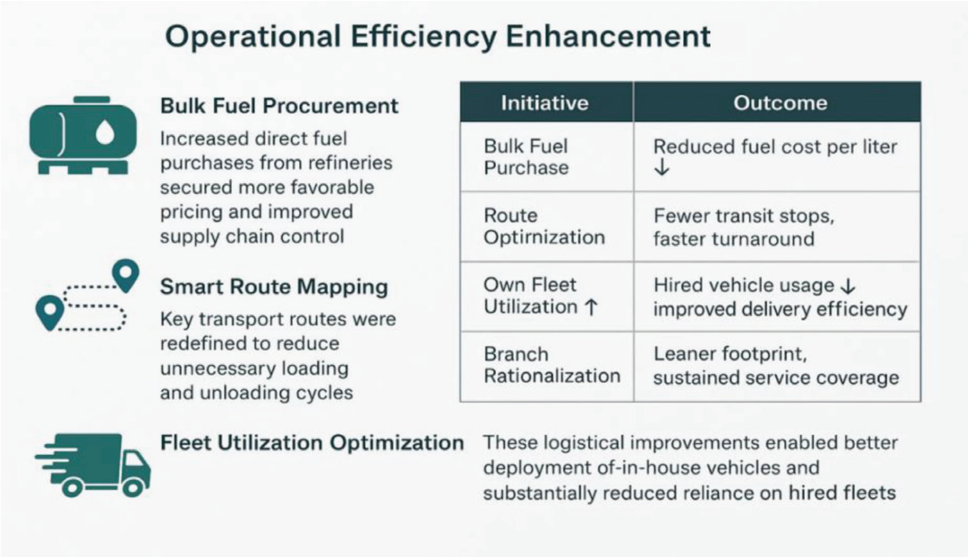
For FY26, the Revenue from operations increased by 1.9% from ₹316095 lakhs to ₹322111 lakhs. Including other income, the total revenue increased by 1.87% from ₹318517 lakhs to ₹ 324478 lakhs

EBITDA increased from ₹59841 lakhs to ₹67389 lakhs. EBITDA Margin expanded to 20.77% from 18.79%, an increase of 1.98% year-on-year, driven by a 10% improvement in realization and sustained cost efficiencies. Depreciation increased to ₹ 26103 lakhs from ₹25363 lakhs. EBIT increased to ₹41286 lakhs from ₹34477 lakhs, while EBIT margins expanded to 12.72% from 10.82%. Finance Costs increased to ₹9498 lakhs from ₹9483 lakhs, Profit Before Tax (PBT) rose to ₹31788 lakhs compared to ₹24995 lakhs in the previous year, representing robust growth of 27.18%.

Profit After Tax (PAT) rose to ₹23683 lakhs compared to ₹18292 lakhs in the previous year, representing robust growth of 29%.

The improvement in the operational efficiencies in the current year led to improvement in EBITDA margins:

The margin improvement is due to good control on Fuel Expenses, which is major cost of operation in our business. We further increased the Bulk purchase quantity (as a percent of total quantity) from 37.54% in FY25 to 39.50% in FY26. The fuel procurement cost per litre increased from Rs.85.03 to Rs.85.07. On overall basis the fuel cost as a percentage to the revenue is reduced from 27.32% in FY25 to 24.91% in FY26.



We saw major efficiency in effective utilization of our own vehicles. This has supported us to have control on the dependency on the hired vehicles, due to which the Lorry hire charges reduced as a percent to revenue from 5.54% in FY25 to 4.80% in FY26.

The rest of the expenses were inline with the revenue or reduced as percentage to the revenue due to increased freight realizations.

In absolute terms EBITDA of the company increased by 12.61% from ₹59841 lakhs to ₹67389 lakhs. When expressed as a percentage to the total income for the year, the EBIDTA margin increased by 1.98% from 18.79% in FY25 to 20.77% in FY26.

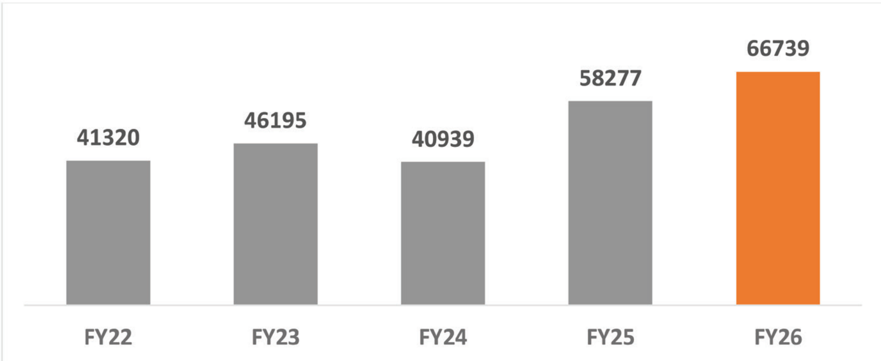
The details of operating expenses as a percent to revenue is presented in the table below

YOY	FY26	FY25	Difference (%)	Rationale
	(% to Revenue)			
EBITDA	20.77%	18.79%	1.98%	Increase in Freight Rates and Discontinuation of low margin business leads to improvement in realization and margins.
Fuel Cost	24.91%	27.32%	-2.41%	Fuel consumption qty decreased by 7.3%. Average purchase cost per litre of fuel increased from ₹85.03 to ₹85.07. Bulk purchase from refineries as a percent of total quantity increases from 37.54% to 39.50%.
Bridge & Toll Expenses	7.51%	7.75%	-0.24%	Decrease in Kms by Owned vehicles, Increase in number of Toll Plazas from 1727 to 1918 across India, Increase in Toll Rates, Percentage to revenue is decreased due to freight hikes.
Hamali (Loading & Unloading charges)	6.25%	6.60%	-0.35%	Decrease in tonnage handled. Increase in Loading and Unloading charges. However Percentage is decreased due to freight hikes.
Vehicle Running, R & M	5.35%	4.89%	0.46%	Increase in driver incentives per km.
Lorry Hire Charges	4.80%	5.54%	-0.74%	Decrease in long haul hired vehicle Kms due to improvement in kms by own vehicles.
Other Operating Expenses	10.42%	10.64%	-0.22%	Percentage to revenue is decreased due to freight rationalization.
Employee cost	18.10%	17.11%	0.99%	Increments from Aug 25 & Internal promotions on selective basis.

Administrative Expenses	1.88%	1.36%	0.52%	Due to Increase in legal and professional fees , Loss on sale/ scrap of vehicle.
Depreciation	8.04%	7.96%	0.08%	Increase in ROU on account of addition/expansion of new leased branches/TPT's area.
EBIT	12.72%	10.82%	1.90%	Due to increase in EBITDA.
Finance Costs	2.93%	2.98%	-0.05%	Increase in debt. However percentage maintained due to freight hikes.
PBT	9.80%	7.84%	1.95%	Due to increase in EBIT.
PAT	7.30%	5.74%	1.56%	Due to increase in PBT.

Higher profitability translated into stronger Operating Cashflows, which increased to ₹66739 lakhs from ₹58277 lakhs in FY25. The below graph depicts the Cash flows from the Operating Activities before working capital changes (before IND AS adjustments)

These cashflows were effectively deployed towards capital expenditures amounting to ₹29805 lakhs, primarily for the acquisition of commercial vehicles and purchase of land and building facilities at critical operational locations. Additionally, ₹17491 lakhs was utilized for dividend payments during the year.



The balance sheet remains strong, with net debt at approximately ₹44012 lakhs as of March 2026. The trade receivables to turnover ratio stood at ~36 times revenue, translating to receivable days of around 10 days amongst the lowest in the industry. This underscores the strength of the Company's collection mechanism and its diversified customer base of over 10 lakh GST-registered customers.

Tonnage Performance

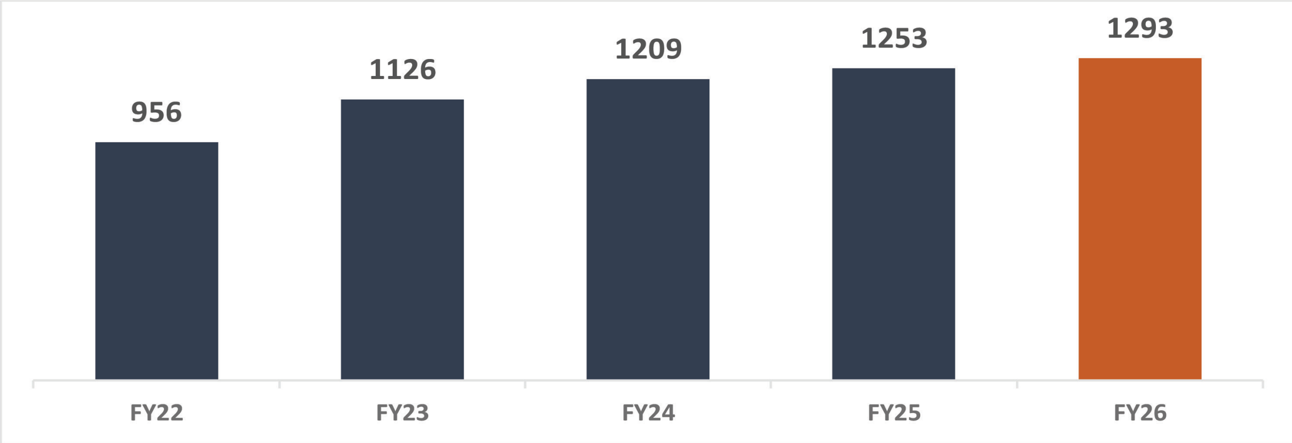
At the beginning of the year, the Company faced a 13% deficit in tonnage growth (Q1FY26). Through sustained efforts, this deficit was successfully restricted to 7% for the full year, supported by a positive 3% growth in Q4FY26. Tonnage demonstrated quarter-on-quarter improvement, driven by new account additions, incremental growth from existing customers, and the return of volumes following contract restructuring undertaken in the previous year. Daily tonnage crossed 11,500 tons during Q4FY26, reflecting strengthening demand trends.

Full recovery was moderated by the earlier exit from low-margin contracts and YoY tonnage declined by 7%. Looking ahead, the Company anticipates a gradual uptick in volumes, supported by continued network expansion, customer engagement, and operational optimisation.

Network Expansion and Service Quality

To further strengthen volumes and improve service delivery, the Company has expanded its network by opening new branches in untapped markets. Service quality has been enhanced through greater reliance on owned infrastructure facilities, resulting in better control over operations. Route optimisation initiatives have reduced lead times, thereby improving customer satisfaction.

The below GRAPH depicts the increase in number of branches from FY 2021-22 to FY 2025-26.



Operational Excellence

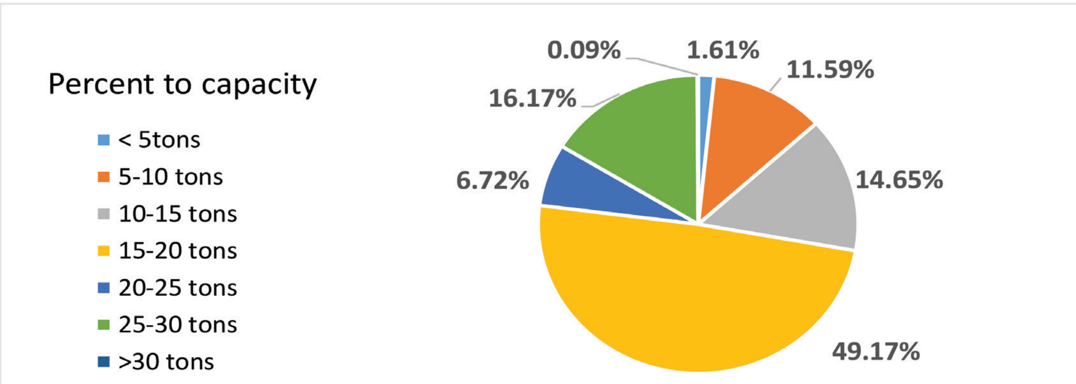
The Company continues to maintain one of the lowest claim ratios in the industry, underscoring its commitment to service excellence and operational control. These achievements reflect the effectiveness of strategic initiatives undertaken during the year and position the Company for sustainable growth in the coming periods

Return Ratios

Return on Capital Employed (ROCE) improved to 24.56% in FY26 from 21.40% in FY25, while Return on Equity (ROE) increased to 21.27% in FY26 from 18.02% in FY25. These enhancements highlight the Company’s ability to generate superior returns through disciplined capital allocation and operational efficiency.

Fleet

On the fleet side, we added 310 vehicles of different capacities in line with our expansion plans. Number of vehicles in FY26 stood at 5,932 vehicles. (6,115 vehicles in FY 25). The below chart illustrates the capacity wise breakup of vehicles as on 31.03.2026



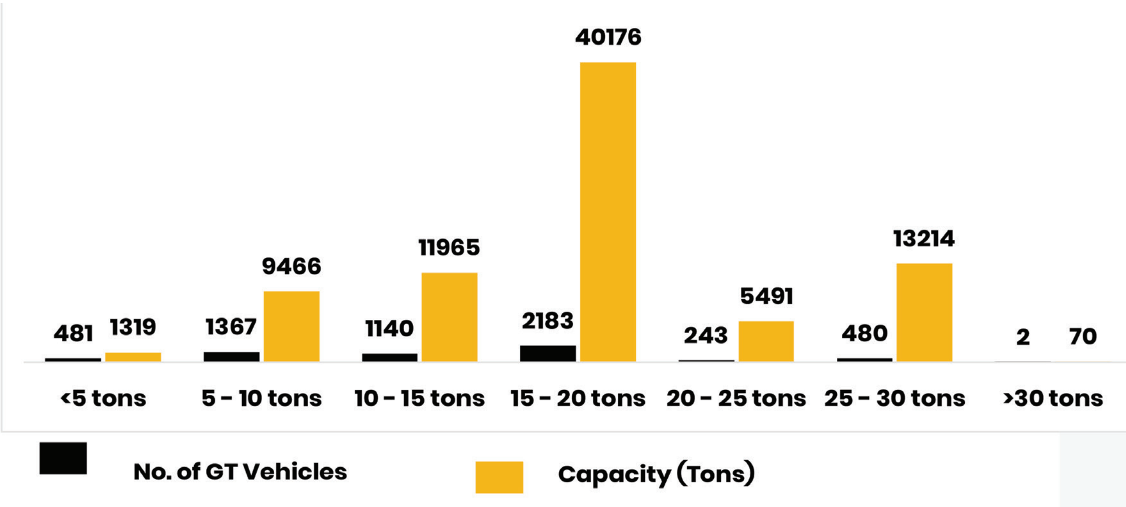
Total fleet capacity is 81700 tons in FY26 as compared to 85261 tons in FY25.

Apart from this, we are also operating 216 Trailers with a total capacity of 5433 tons.

Capex

The strong cashflows mainly through the internal accruals of the Company led to robust expansion plans of the company. The current year strong cash flows enabled us to make capex of Rs.29805 lakhs including investments in purchase of properties at Ernakulam, Edapally, Vasanatanarsapura, Indore, Anantapur, Aroor, Trivandrum, Visakhapatnam, Vijayawada, along with the routine capex on the vehicles.

The size and key location of these properties make it ideal for future expansion plans to support the Company's growth objectives.



Analytical Ratios

Particulars	As at 31 March 2026	As at 31 March 2025	Change %	Reason for more than 25% change
Return on investment	133.77%	7.08%	1789.95%	The company earned significant interest income on internal accruals parked for short term basis during the year. The movement is attributable to both higher yield on deployed funds and denominator compression before the year end.
Net profit ratio	7.35%	5.79%	27.05%	The improvement in net profit ratio is primarily driven by significant margin expansion arising from reduction in key operating costs (especially freight and diesel costs), coupled with stable revenue growth by improving freight realisations and disciplined cost management.
Return on equity ratio	21.27%	18.02%	18.04%	-
Return on capital employed	24.56%	21.40%	14.80%	-
Debt service coverage ratio	1.60	1.47	8.80%	-
Net capital turnover ratio	(18.05)	(19.48)	7.34%	-
Trade receivables turnover ratio	36.10	34.86	3.56%	-
Debt - equity ratio	0.40	0.41	(3.75%)	-
Inventory turnover ratio	22.00	23.75	(7.39%)	-
Current ratio	0.49	0.63	(21.29%)	-

7. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT – EMPLOYEE DATA

The total employee strength of the Company as of 31.03.2026 was 21511. Given the nature of operations, a significant portion of the said employee strength comprises of drivers, cleaners, garage mechanics and other unskilled employees. Despite the large number of employees as also considering the widespread geographical operation of the Company, your management feels proud to state that the employer – employee relations remained extremely cordial throughout the year. There were no instances of strikes, lockouts or any other action on part of the employees that affected the functioning of the Company. It is noteworthy that there is no Employee Union / Trade Union / Union within the organization.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. Details of the Listed Entity

1	**Corporate Identity Number (CIN) of the Listed Entity**	L60210KA1983PLC005247
2	**Name of the Listed Entity**	VRL Logistics Limited
3	**Year of incorporation**	31.03.1983
4	**Registered Office Address**	RS. NO. 351/1, Varur, Post Chabbi, Taluk Hubballi, District Dharwad, Hubballi – 581 207
5	**Corporate Office Address**	Giriraj Annexe, Circuit House Road Hubballi - 580029, Karnataka
6	**E-mail**	investors@vrllogistics.com
7	**Telephone**	0836-2237511(Corporate office) 0836-2237613 (Registered office)
8	**Website**	www.vrlgroup.in
9	**Financial year for which reporting is being done**	1st April 2025 to 31st March 2026
10	**Name of the Stock Exchange(s) where shares are listed**	BSE Limited National Stock Exchange of India Limited
11	**Paid-up Capital**	₹ 17493.70 lakhs
12	**Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report**	Mr. Aniruddha Phadnavis Company Secretary and Compliance Officer Email: aniruddha@vrllogistics.com Telephone No: 0836 2237511
13	**Reporting boundary - Are the disclosures under this report made on a standalone basis(i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).**	The disclosures made in this report are on a standalone basis.
14	**Name of assurance provider**	Not Applicable
15	**Type of assurance obtained**	Not Applicable

II. Products/services

II-16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of the Main Activity	Description of the Business Activity	% Turnover of the Entity
1	Surface Logistics Service Provider	General Parcel forms the core of VRL's business and involves pan India movement of consignments of varying size and weight across the country on a Less than Truck Load (LTL) Basis. The Company also provides the option of door collection and door delivery to the customers at a cost. The Company offers three modes of booking, viz. "Paid", "To-pay" and "Account" (Billing). We provide Full Truckload Services (FTL) service to our customers by leveraging our broad base of select branches as well as through our network of independent brokerage agents. We provide door-to door FTL service to our customers, in which the goods are loaded on to our vehicle at the premises of the customer and then delivered to the specified destination. We offer Courier services for time sensitive documents and packages.	100%

II-17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Goods Transportation	492301	100%

III. Operations

III-18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	0	1293	1293
International	0	0	0

III-19. Markets served by the entity: a. Number of locations

a. Number of locations

Locations	Number
National (No. of States)	28
International (No. of Countries)	0

Note: The Company operates in 23 states and 5 Union Territories across the country. Company does not operate outside India.

b. What is the contribution of exports as a percentage of the total turnover of the entity?

0% as VRL Logistics' entire business operations are based in India.

c. A brief on types of customers

We serve all the major corporate houses, C&Fs, Wholesalers, Retailers as also individual retail customers across India. Based on the GSTINs available in our system, we have 10 lakhs+ customers across the country.

IV. Employees

IV-20. Details as at the end of Financial Year a. Employees and workers (including differently abled):

S.No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Employees						
1	Permanent (D)	21511	21208	98.59%	303	1.41%
2	Other than Permanent (E)	0	0	-	0	-
3	**Total employees (D + E)**	**21511**	**21208**	**98.59%**	**303**	**1.41%**
Workers						
1	Permanent (F)	0	0	-	0	-
2	Other than Permanent (G)	0	0	-	0	-
3	Total Workers (F + G)	0	0	-	0	-

IV-20. Details as at the end of Financial Year: b. Differently abled Employees and workers:

S.No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Differently Abled Workers						
1	Permanent (D)	3	2	66.67%	1	33.33%
2	Other than Permanent (E)	0	0	-	0	-
3	Total differently abled employees (D + E)	3	2	66.67%	1	33.33%
Differently Abled Workers						
1	Permanent (F)	0	0	-	0	-
2	Other than Permanent (G)	0	0	-	0	-
3	Total Workers (F + G)	0	0	-	0	-

IV-21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	12	1	8.33%
Key Management Personnel	2	0	-

IV-22. Turnover rate for permanent employees and workers. (Disclose trends for the past 3 years)

	FY 2025-26			FY 2024-25			FY 2023-24		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	20.26%	10.47%	20.12%	41.12%	15.41%	40.80%	35.04%	64.69%	35.40%
Permanent Workers	-	-	-	-	-	-	-	-	-

V. Holding, Subsidiary and Associate Companies (including joint ventures)

V-23. (a) Names of holding / subsidiary / associate companies / joint ventures.

S. No.	Name of the holding /subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	None	-	-	-

VI. CSR Details

VI-24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

VI-24. (ii) Turnover (in ₹) - ₹ 3,22,111 Lakhs

VI-24. (iii) Net worth (in ₹) - ₹ 1,14,243 Lakhs

VII. Transparency and Disclosures Compliances

VII-25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2025-26			FY 2024-25		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	No	0	0	-	0	0	-
Investors (other than shareholders)	No	0	0	-	0	0	-
Shareholders	Yes	0	0	-	2	0	-
Employees and workers	Yes, employees can report their grievances through the whistleblower policy. If needed, they can also directly reach out to the lead HR and team. Link-https://vrlgroup.in/vigil_policy.aspx	109	0	-	68	0	-
Customers	Yes, on our website, we have a dedicated page that provides contact information for all our branches. Customers can reach us through the toll-free numbers listed or by emailing us at the provided email address. Link-https://www.vrlgroup.in/contact_us.aspx/vrl_branch_list.aspx	345328	954	-	90383	767	-
Value Chain partners	No	0	0	-	0	0	-
Other (please specify)	0	0	0	-	0	0	0

Remarks: The higher volume complaints in FY 2025-26 reflects an expanded reporting scope and revised classification criteria that now capture all minor grievances to ensure absolute transparency. The pending status reflects cases active at the close of the reporting period, which continue to be addressed in the normal course of operations. The data for previous year been re-stated.

VII-26. Overview of the entity's material responsible business conduct issues. Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material Issue Identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Energy efficiency	O	VRL operates India's largest vehicle fleet, where fuel consumption is a critical metric impacting both energy efficiency and operational costs. To enhance our operational efficiency, we are continuously investing in acquiring advanced, energy-efficient vehicle fleet. Additionally, we have installed renewable energy sources to power our major facilities and hubs.		Positive
2	GHG emissions	R	For a logistics company like ours, greenhouse gas (GHG) emissions from both vehicle operations and facility energy consumption are critical factors with significant potential to impact our business. Anticipating upcoming policies related to tracking and reporting GHG emissions, we recognize the importance of aligning our operations accordingly. We have already begun strategizing to ensure compliance and enhance our environmental sustainability efforts.	To manage our GHG emissions, we are actively transitioning our fleet to operate sustainably and in an environmentally friendly manner, with a significant portion of our capital expenditure dedicated to this initiative. Many of our major facilities already utilize solar energy, and we are expanding their coverage. Additionally, we have implemented energy-efficient techniques across our facilities. These initiatives are part of our ongoing efforts to reduce CO2 emissions and enhance sustainability.	Negative

3	Water Management	R	Water is an important environmental resource, and equally significant in our operations where it is primarily used for cleaning vehicles. Given that VRL operates the largest self-owned vehicle fleet, the volume of water required for vehicle sanitation is substantial, making water management a critical focus area.	To manage resources efficiently, we recycle most of our waste. Water waste generated from vehicle cleaning is reused for gardening purposes instead of being directly released into sewage systems, thus significantly reducing water disposal. Additionally, at our central facility in Varur, we have installed a bacteria-based water treatment system. The purified water from this system is reused in our washing processes, and the sludge produced is distributed to local farmers as fertilizer, also supporting agricultural needs sustainably.	Negative
4	Air Pollution	R	We do have an air emission footprint due to the nature of our industry. We recognize that the emissions from our vehicles can have several negative impact on the regions we operate in. Hence, we consider this issue to be material.	Our vehicles undergo regular maintenance and comply with all environmental laws, ensuring that emissions are kept well within the provided limits. Also, we are actively transitioning from traditional vehicles to more environmentally friendly options, such as BS-VI vehicles, and we've onboarded several EV Autos and E-Scooters in our fleet to further reduce our air emissions.	Negative

5	Occupational Health and Safety	R	Due to the nature of our business, it is crucial for us to adhere strictly to all applicable health and safety regulations. At any given time, more than 50% of our total workforce is on the road delivering products. Any lapses in compliance, whether by management or employees, could severely impact our company's reputation, and finances, and even lead to serious injuries or fatalities. Therefore, ensuring health and safety standards is of utmost importance to us.	We prioritize adherence to all applicable laws and regulations. We conduct regular sessions for our employees on road safety and maintain our vehicle fleet in optimal condition at all times.	Negative
6	Human Resource	R	VRL, as a service-based company, relies heavily on its drivers and management as the backbone of our industry. Therefore, the recruitment and retention of skilled personnel are vital not only for ensuring operational efficiency but also for maintaining high service standards and ensuring customer satisfaction.	To build a strong workforce, we recruit all drivers as full-time employees and provide them with all statutory benefits. Regular training sessions are provided to ensure continuous development. Additionally, we have a driver training facility in Hubballi where drivers can voluntarily attend training programs. We impart necessary training to employees of all levels to improve their skills. We have covered our drivers and maintenance workforce under group insurance for ensuring stability to their families.	Negative

7	Cyber Security	R	Due to the nature of our business, our company heavily relies on digitally provided information, making the protection of this data the most important. Safeguarding this information is crucial not only for maintaining customer trust but also for mitigating potential risks associated with data breaches. Also, noncompliance with related & applicable regulations could cause severe damage to the company's both financial, health and reputation.	We have implemented an Information Security policy overseen by our IT department to protect the information of both customers and employees in our database.	Negative
8	Customer satisfaction	O	VRL is committed to continuous improvement and delivering the highest quality services to ensure customer satisfaction.		Positive
9	Material Sourcing	R	Our supply chain faces various risks related to the critical materials used in our processes. These materials are often specialized and have limited alternatives. Issues such as high demand, low stock, transportation challenges, or supply disruptions can lead to price increases and sometimes unavailability of the product, even at higher prices.	To mitigate such issues, VRL has diversified its supply chain over the years, making it more resilient to value chain disruptions. We ensure to maintain alternatives for required products and services, allowing our operations to continue smoothly despite any challenges.	Negative

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1. a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
1. b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
1. c. Web Link of the Policies, if available	https://vrlgroup.in/vrl_investors_desk.aspx?display=policies - The said link provide access to the various policies that the Board has adopted. Apart from the above, there are several policies adopted and implemented within the entity such as HR Policy, Procedural Manual for covering each and every aspect of our Business Operations etc. which are not in the public domain and cannot be made accessible. Majority of the nine principles enshrined in the ESG framework do directly/indirectly get covered under such policies. There are certain principles for which a specific policy is not put in place. Also refer remark below.								

2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	No	No	No	No	No	No	No	No	No
4. Name of the national and international codes/ certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Not Applicable								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	No	No	No	No	No	VRL is committed to enhance energy efficiency and emissions reduction and is undertaking several strategic initiatives for the same.	No	No	To continue to follow industry best practices to maintain highest quality service and ensure customer satisfaction
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	No	No	No	No	No	- VRL is currently in the process of modernizing our fleet by integrating the latest environmentally friendly BS-VI vehicles. -Increasing the number of electric vehicles in our delivery and transportation fleet. -Incorporated an advanced fuel management system. -Installing rooftop solar panels across multiple facilities to reduce dependency on non-renewable energy. -Transitioning from diesel forklifts to battery forklifts, and upgrading to modern lithium-ion batteries, which are 50% more efficient, etc, are few of our initiatives. VRL is also committed to reducing water consumption: -Have employed rainwater harvesting techniques. - Installed water treatment plants at the central facility in Varur to filter and reuse water in operations. -Our facilities reuse wastewater in gardening instead of discharging it into the sewage thus also effectively minimising water disposal.	No	No	No

Remarks: Our Management is of the opinion that the mere absence of a documented policy alone is no reason to assume that our business is not conscious as to its environmental and other relevant stakeholder obligations. The majority of the nine principles enshrined in the ESG framework do directly/indirectly get covered under such policies. There are certain principles for which a specific policy is not put in place.

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	**Statement by Mr. L. R. Bhat, Executive Director:** At our core, we believe running a successful surface logistics business means being responsible stewards of our environment and communities. Long before ESG reporting became a regulatory mandate, we were already embedding these values into our daily operations. While the logistics industry faces inherent environmental and operational challenges, we view them as opportunities to innovate and demonstrate our values in action. **Environmental & Green Energy Initiatives** • Fleet Efficiency: We focus on green energy transitions based on market availability. To actively curb footprint today, we use advanced fuel additives across our fleet to improve mileage and reduce road emissions. • Material Handling: We have retired our diesel forklifts, transitioning entirely to clean, battery operated alternatives inside our hubs. • Infrastructure: We are replacing traditional lead acid UPS batteries in our offices with eco friendly Lithium-Ion technology for better lifespan and reduced waste. • Solar Power: We continue to aggressively install solar panels across our occupied godowns and warehouses. • Greener Spaces: We maintain clean facilities with dedicated, protected spaces for plants and greenery. **Governance & Community Value** • Compliance Oversight: To ensure strict adherence to Pollution Control Board norms, we partner with external agency for periodic inspections. • Local Sourcing: We intentionally source non OEM components and spare parts from small, local ancillary vendors near our centralized maintenance facility. • CSR Obligations: We consistently fulfil our Corporate Social Responsibility (CSR) commitments year after year. **Investing in Our People** • Staff Welfare: Our drivers, hamals (loaders), and office staff receive full statutory benefits, group insurance, health coverage, and death benefits. • Growth & Wellness: We conduct regular awareness and wellness sessions to support our workforce's personal and professional well being. Looking ahead, we remain committed to refining our methods and doing better for our planet and our people in the years to come.
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	The following Board of Directors and Key managerial persons: 1. Dr. Vijay Sankeshwar (DIN: 00217714) 2. Dr. Anand Sankeshwar (DIN: 00217773) 3. Mr. L R Bhat (DIN: 01875068) 4. Mr. Sunil Nalavadi (PAN: ADFPN3634D) 5. Mr. Aniruddha Phadnavis (PAN: AJMPP0610L)
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	No, the Board is responsible for decision making on all sustainability related issues. There is no separate Committee involved however the Audit Committee does undertake periodic review on this front.

10. Details of Review of NGRBCs by the Company: Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Yes, Committee of the Board									Periodically								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Audit Committee reviews ongoing development periodically.									Periodically								

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

Sr. no	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	NO	NO	NO	NO	NO	NO	NO	NO	NO

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business [Yes(Y)/No(N)]	-	-	-	-	-	-	N	-	-
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	-	-	-	-	-	-	N	-	-
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	-	-	-	-	-	-	N	-	-
It is planned to be done in the next financial year (Yes/No)	-	-	-	-	-	-	N	-	-
Any other reason (please specify)	-	-	-	-	-	-	Refer Note #	-	-

Our Management is of the opinion that the mere absence of a documented policy alone is no reason to assume that our business is not conscious as to its environmental and other relevant stakeholder obligations. The majority of the nine principles enshrined in the ESG framework do directly/indirectly get covered under such policies. There are certain principles for which a specific policy is not put in place.

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

E1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total Number of Training and awareness programmes Held	Topics / Principles Covered Under the Training and its impact	% age of persons in respective category Covered by the awareness programmes
Board of directors	4	- International Financial Reporting System - Updates on Ind-AS - GST - Implementation of Income Tax Act, 2026 - Recent amendments in SEBI Regulations - Ongoing developments on regulatory front. - Introduction and Implementation of new Labour codes - External programs on Governace, Sustainability, Risk Management. - Updated knowledge on the regulatory changes having impact on the Company's operations - Positive engagement in the Board discussions	100%
Key Managerial personnel	4	- Implementation of Income Tax Act, 2026 - CSR and its applicable rules - Direct and Indirect Tax-Taxation Key Developments in Companies Act and possibilities of application of AI Tools in our operations - Recent amendments in SEBI Regulations - Ongoing developments on regulatory front. - Introduction and Implementation of new Labour codes - Updated knowledge on the regulatory changes having impact on the Company's operations	100%
Employees other than BoD and KMPs	6304	- Standard operating procedures ('SOP') - Adoption and implementation of standard operating procedures - Improved efficiency and timely information transfer through established communication channels	62.08%
Workers	-	-	-

Note: Specific training which is exclusive to the principle enumerated above was not imparted. However routine training, on the job training as well as induction and orientation trainings apart from niche external trainings ingrain several aspects that the principles above aim to cover. The same is in line with the practices prevailing in our industry.

EI-2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website): Not Applicable

Monetary

Category	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	-	-	-	-	-
Settlement	-	-	-	-	-
Compounding fee	-	-	-	-	-

Non-Monetary

Category	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	-	-	-	-
Punishment	-	-	-	-

EI-3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

S. No.	Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not Applicable		

EI-4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.-

Yes, all stakeholders, including employees, are discouraged from the usage of unethical tactics like bribery or kickbacks. We have a zero-tolerance stance against bribery and corruption, and we're dedicated to operating ethically, fairly, and with integrity in all of our business transactions and partnerships, regardless of who we deal with. We have put in place and enforced strong anti-bribery mechanisms. To prevent malpractice, strict rules have been established, and the repercussions of such behavior are also clearly stated. Strong and strict controls are in place to stop such acts and individuals are urged to report any possible instances of malpractice that may have gone unnoticed. Minor instances of embezzlement or impropriety are straightaway dealt with termination. This principle is ingrained in our Code of Conduct, which can be accessed on our website at - https://vrlgroup.in/investor_download/Code_of_Conduct.pdf

EI-5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Category	(Current Financial Year)	(Previous Financial Year)
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

EI-6. Details of complaints with regard to conflict of interest:

Category	Current Financial Year		Previous Financial Year	
	Number - 2025-26	Remarks - 2025-26	Number - 2024-25	Remarks - 2024-25
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	-	0	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	-	0	-

EI-7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

EI-8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

Particulars	Current Financial Year	Previous Financial Year
Number of days of accounts payables	4.98	5.64

Remarks: The data for FY 2024-25 has been realigned to 5.64 in consistency with the audited financial statements. The current year's variance reflects this alignment.

EI-9. Open-ness of business. Provide details of concentration of purchases with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format. Concentration of Purchases-

Parameter	Metrics	FY 2025-26	FY 2024-25
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	0.00%	0.00%
	b. Number of trading houses where purchases are made from	0	0
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	0	0
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	0.00%	0.00%
	b. Number of dealers / distributors to whom sales are made	0	0
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	0	0
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	0.36%	0.11%
	b. Sales (Sales to related parties / Total Sales)	0.24%	0.68%
	c. Loans & advances (to related parties / total loans & advances)	0	0
	d. Investments (in related parties / total investments)	0	0

Remarks: The data for FY 2024-25 has been realigned to 0.68% of total sales to ensure consistency with Audited Financial Statement. The current year's variance reflects this alignment.

Leadership Indicators

LI-1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

S. No.	Total number of awareness programmes held	Topics / principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
1	0	-	-

LI-2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.-

Yes, the Company's Code of Conduct mandates the Directors, senior management and employees to avoid situations in which their personal interests could conflict with the interests of the Company. The Code, inter alia, clarifies that conflict of interest may arise when (a) an employee or a family member (family member includes spouse, children, siblings and parents) has a material interest in an entity that has a business relationship with the Company or is being evaluated for a commercial transaction, or (b) an employee is in a position to benefit someone with whom he / she has a close relationship, in relation to the Company's business. Further, the Directors of the Company are required to disclose to the Board, on an annual basis, whether they, directly or indirectly or on behalf of third parties, have material interest in any transaction or matter directly affecting the Company. For instance, during the year the Company undertook a major transaction wherein the Bus Operations Business Undertaking was hived off to an entity owned by the Promoters. Complying in spirit with the legal provision as also the governance principles, our Promoters stayed away from all deliberations, etc. in relation to such transaction. The Code of conduct can be accessed on our website at https://vrlgroup.in/investor_download/Code_of_Coduct.pdf.

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

EI-1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Category	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	0	0	Not Applicable
Capex	0.15%	2.87%	1. Modernizing our fleet by adding the latest environmentally friendly BS-VI vehicles. 2. Incorporating new green vehicles into the fleet. 3. Integrating the latest energy-efficient devices, such as battery forklifts, LED lighting and other equipment. 4. Transitioning from acid batteries to highly efficient lithium-ion batteries, which are about 50% more efficient. 5. Installing rooftop solar panels across multiple facilities to reduce dependency on non-renewable energy.

EI-2.a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)- No

EI-2.b. If yes, what percentage of inputs were sourced sustainably?- Not Applicable

EI-3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.-

Category	Description
(a) Plastics (including packaging)	-
(b) E-waste	-
(c) Hazardous waste	-
(d) Other waste	-

EI-4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Not Applicable, as the company is engaged in a service-based industry and does not generate any product or packaging waste.

Leadership Indicators

LI-1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

Not Applicable

LI-2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Not Applicable

LI-3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Not Applicable

LI-4. Of the products and packaging reclaimed at end of life of products, disclose the amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

Not Applicable

LI-5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Not Applicable

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

EI-1. a. Details of measures for the well-being of employees .

Category	TOTAL (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	21208	21130	99.63	21130	99.63	-	-	0	-	0	-
Female	303	290	95.71	290	95.71	290	95.71	-	-	0	-
Total	21511	21420	99.58	21420	99.58	290	95.71	0	-	0	-

Other than permanent Employees										
Male	0	0	-	0	-	0	-	0	-	0	-
Female	0	0	-	0	-	0	-	0	-	0	-
Total	0	0	-	0	-	0	-	0	-	0	-

EI-1.b. Details of measures for the well-being of workers.

Not Applicable, the company does not have any workers.

EI-1.c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

Particulars	Current Financial Year	Previous Financial Year
Cost incurred on wellbeing measures as a % of total revenue of the company	18.24%	17.25%

Remarks: The data for FY 2024-25 has been realigned to 17.25% in consistency with the audited financial statements. The current year's variance reflects this alignment.

EI-2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	No. of employees covered as a % of total employees. (CY)	No. of workers covered as a % of total workers. (CY)	Deducted and deposited with the authority (Y/N/N.A.). (CY)	No. of employees covered as a % of total employees. (PY)	No. of workers covered as a % of total workers. (PY)	Deducted and deposited with the authority (Y/N/N.A.). (PY)
PF	99.55%	-	Yes	99.04%	-	Yes
Gratuity	100.00%	-	Yes	100.00%	-	Yes
ESI	93.32%	-	Yes	80.59%	-	Yes
Others – please specify	7.37%	-	Yes	0.00%	-	Yes

Remarks: In case of others, the Company has deposited employer and employee's contribution to United General Insurance Company Ltd towards general health insurance undertaken by it for benefit of the employees.

EI-3. Are the premises / offices of the entity accessible to differently-abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.-

Yes, the relevant premises and offices of VRL Logistics are accessible to differently-abled employees and workers, and in compliance with the requirements of the Rights of Persons with Disabilities Act, 2016.

EI-4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.-

Yes, the Company has a policy towards the Rights of Persons with Disabilities for Internal Administration. The policy can be accessed on our website at https://vrlgroup.in/vrl_investors_desk.aspx?display=policies.

EI-5. Return to work and Retention rates of permanent employees and workers that took parental leave.

	Permanent employees		Permanent workers	
Gender	**Return to work rate**	**Retention rate**	**Return to work rate**	**Retention rate**
Male	-	-	-	-
Female	100%	-	-	-
Total	**100%**	**-**	**-**	**-**

EI-6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Category	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Not applicable, as the company has not appointed any workers. It has solely permanent employees on its payroll.
Other than Permanent Workers	Not applicable, as the company has not appointed any workers. It has solely permanent employees on its payroll.
Permanent Employees	Yes, the Branch Heads and Area Managers are responsible to resolve/redress complaints, and disputes raised by employees at the respective branches. If a complaint is not resolved at the branch level, it gets escalated to a higher level, and further actions are taken accordingly.
Other than Permanent Employees	Not applicable, as the Company has solely permanent employees on its payroll.

EI-7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY2025-26			FY2024-25		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union(B)	% (B / A)	Total employees / workers in respective category (C)	No.of employees / workers in respective category, who are part of association(s)or Union(D)	% (D / C)
Total Permanent Employees	21511	0	-	22236	0	-
Male	21208	0	-	21947	0	-
Female	303	0	-	289	0	-
Total Permanent Workers	0	0	-	0	0	-
Male	0	0	-	0	0	-
Female	0	0	-	0	0	-

EI-8. Details of training given to employees and workers:

Category	FY2025-26					FY2024-25				
	Total (A)	On Health And Safety Measures		On Skill Upgradation		Total (D)	On Health And Safety Measures		On Skill Upgradation	
		No. B	% (B/A)	No. C	% (C/A)		No. E	% (E/D)	No.f	% (F/D)
Employees										
Male	21208	7660	36.12	7660	36.12	21947	6037	27.51	6037	27.51
Female	303	45	14.85	45	14.85	289	67	23.18	67	23.18
Total	21511	7705	35.82	7705	35.82	22236	6104	27.45	6104	27.45
Workers										
Male	0	0	-	0	-	0	0	-	0	-
Female	0	0	-	0	-	0	0	-	0	-
Total	0	0	-	0	-	0	0	-	0	-

EI-9. Details of performance and career development reviews of employees and worker:

Category	FY2025-26			FY2024-25		
	Total (A)	No. B	% (B/A)	Total (C)	No.D	% (D/C)
Employees						
Male	21208	0	-	21947	0	-
Female	303	0	-	289	0	-
Total	21511	0	-	22236	0	-
Workers						
Male	0	0	-	0	0	-
Female	0	0	-	0	0	-
Total	0	0	-	0	0	-

EI-10.a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, VRL Logistics has implemented a management system for occupational health and safety that covers all employees of the company. The company believes that a safe and healthy workplace is essential for employee well-being and that adopting best practices in occupational health and safety positively impacts overall performance. Moreover, as part of its responsibility as a corporate citizen, this system also helps in attracting and retaining employees

EI-10.b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The company operates in the surface logistics industry and as the owner of the country's largest fleet of commercial vehicles, all risks and hazards associated with highway movement are the predominant hazards in our case. Processes used to identify relevant hazards include a thorough assessment of incidents which leads to identification of source level issues which are subsequently remedied and frequently reviewed on an ongoing basis along with requisite tweaks to internal processes directed at preventing repetition.

EI-10.c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Yes, as explained above.

EI-10.d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, the company solely has permanent employees on its payroll, and these employees, based on their employment category, are provided with ESI coverage and group health insurance policies.

EI-11. Details of safety related incidents, in the following format:

Safety Incident/ Number	Category	FY 2025-26	FY 2024-25
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	1.04	0.83
	Workers	0	0
Total recordable work-related injuries	Employees	54	45
	Workers	0	0
No. of fatalities	Employees	19	20
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0
Number of Permanent Disabilities	Employees	0	0
	Workers	0	0

EI-12. Describe the measures taken by the entity to ensure a safe and healthy work place.-

VRL Logistics, with India's largest owned vehicle fleet and over 1293 locations across the country, takes health and safety measures very diligently. All our employees are provided with regular health and safety training on joining company, ensuring they are up-to-date with industry best practices. Safety protocols are embedded in our internal processes. Given that the majority of our workers are drivers, we meticulously maintain our fleet's health. Vehicles are regularly inspected and kept in optimal condition to prevent accidents. Drivers receive regular safety instructions and are mandated to follow safety guidelines and regional road safety regulations diligently. Additionally, we adhere to all necessary steps to maintain a safe and healthy workplace.

EI-13. Number of Complaints on the following made by employees and workers:

	FY2025-26			FY2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working and conditions	10	0	-	12	0	-
Health and safety	3	0	-	4	0	-

EI-14. Assessments for the year:

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties
Health and safety practices	Refer Note Below
Working Conditions	

Note: The Company operates nearly 1293 branches and its operations are spread across the country. At any given point in time over 7000 drivers are always on road. As such inspections are not practical. However, several labor officers keep visiting our centralized facility located at Varur, Hubballi, as also our branches and transshipment hubs across the country. However, this specific data is not monitored.

EI-15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.-

Road accidents are an inherent risk in our business, which is why we prioritize continuous safety training for our drivers. This ongoing commitment ensures that our drivers are well-equipped to handle the challenges of the road, significantly reducing the chances of incidents and enhancing overall safety.

Leadership Indicators

LI-1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).-

(A) Employees- Yes
(B) Workers- Not applicable as the company only has permanent employees on its payroll.

LI-2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.-

Given the nature of our industry, we do not monitor the same.

LI-3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY2025-26	FY2024-25	FY2025-26	FY2024-25
Employees	73	20	54	1
Workers	0	0	0	0

LI-4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No) - No

LI-5. Details on assessment of value chain partners:

Category	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	-
Working Conditions	-

LI-6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

- Not Applicable

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

EI-1. Describe the processes for identifying key stakeholder groups of the entity.-

Stakeholders include the individuals or groups who could significantly impact our business financially or otherwise. Our stakeholders list consists of Individual Investors, group of Investors, Customers, Bankers, Financial Institutions, employees, agents, landlords of rental premises are identified as key stakeholder groups and they would be identified based their contributions to value and growth of the Company.

EI-2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

S. No.	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
1	Shareholders and Investors	No	Annual Report, Investor presentations, Annual General Meeting, Investor/analysts calls and meet, Media releases, Website of the Company.	Ongoing interaction with at least one engagement every quarter.	To establish an efficient communication channel.

2	Employees	No	Direct & other communication mechanisms.	Regular interaction with employees and addressing their needs.	To establish an efficient communication channel.
3	Customers	No	Direct communication over email, phone and in- person visit to the Customers venue.	Ongoing & Regular	Business offering related freight services and improve quality of service by collecting their feedback.
4	Bankers and Financials Institutions	No	Periodical MIS Reports, Annual Reports etc.	Regular	Need basis

Leadership Indicators

LI-1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.-

The Company actively engages with its key constituents to effectively communicate its strategic goals and operational progress. Maintaining consistent stakeholder involvement ensures expectations remain closely aligned. Furthermore, management regularly briefs the Board on material developments, soliciting the directors' insights and guidance to inform strategic oversight.

LI-2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.-

No, environmental or social topics are not specifically targeted during the course of stakeholders engagement.

LI-3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.-

Not applicable

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

EI-1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY2025-26			FY2024-25		
	Total (A)	No Of Employees / Workers Covered (B)	% (B/A)	Total (C)	No Of Employees / Workers Covered (D)	% (D/C)
Employees						
Permanent	21511	0	-	22236	0	-
Other than permanent	0	0	-	0	0	-
Total Employees	21511	0	-	22236	0	-
Workers						
Permanent	0	0	-	0	0	-
Other than permanent	0	0	-	0	0	-
Total Workers	0	0	-	0	0	-

Note: Training and introduction to relevant and applicable policies being adopted within the company is being imparted to all new employees as a part of their Orientation/Induction. No exclusive training on human rights issues is being given.

EI-2. Details of minimum wages paid to employees, in the following format:

Category	Total (A)	FY2025-26				Total (D)	FY2024-25			
		Equal To Minimum Wage		More Than Minimum Wage			Equal To Minimum Wage		More Than Minimum Wage	
		No. B	% (B/A)	No. C	% (C/A)		No. E	% (E/D)	No.F	% (F/D)
Employees										
Permanent	21511	0	-	21511	100	22236	0	-	22236	100
Male	21208	0	-	21208	100	21947	0	-	21947	100
Female	303	0	-	303	100	289	0	-	289	100
Other than Permanent	0	0	-	0	-	0	0	-	0	-
Male	0	0	-	0	-	0	0	-	0	-
Female	0	0	-	0	-	0	0	-	0	-
Workers										
Permanent	0	0	-	0	-	0	0	-	0	-
Male	0	0	-	0	-	0	0	-	0	-
Female	0	0	-	0	-	0	0	-	0	-
Other than Permanent	0	0	-	0	-	0	0	-	0	-
Male	0	0	-	0	-	0	0	-	0	-
Female	0	0	-	0	-	0	0	-	0	-

EI-3. a. Details of remuneration/salary/wages, in the following format: Median remuneration/wages:

	Male		Female	
	Number	Median Remuneration / Salary/ Wages Of Respective Category	Number	Median Remuneration / Salary/ Wages Of Respective Category
Board of Directors (BoD)	3	36000000	0	0
Key Managerial Personnel	2	18094200	0	0
Employees other than BoD and KMP	21203	240000	303	300120
Workers	0	0	0	0

Note: For 'Board of Directors' we have excluded independent and Non-executive directors and considered only such directors who are in whole-time employment of the company and draw salary.

EI-3. b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

Particulars	Current Financial Year	Previous Financial Year
Gross wages paid to females as % of total wages	1.71%	1.19%

Remarks: The data for FY 2024-25 has been realigned to 1.19% in consistency with the audited financial statements. The current year's variance reflects this alignment.

EI-4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)-

Yes, Human Resource team is the focal point for addressing human rights impacts or issues caused to any employees in the company.

EI-5. Describe the internal mechanisms in place to redress grievances related to human rights issues.-

The Human Resources team is responsible for overseeing and resolving any issues related to human rights arising from the business operations.

EI-6. Number of Complaints on the following made by employees and workers:

	FY2025-26			FY2024-25		
	Filed During The Year	Pending Resolution At The End Of The Year	Remarks	Filed During The Year	Pending Resolution At The End Of The Year	Remarks
Sexual Harassment	0	0	-	0	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/ Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

Remarks: No complaints have been received under the above categories.

EI-7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

Particulars	Current Financial Year	Previous Financial Year
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0	0
Complaints on POSH upheld	0	0

EI-8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.-

Whistle Blower and POSH Act related policies are in place to safeguard and maintain confidentiality of the complainant's identity.

EI-9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)-

No

EI-10. Assessments for the year:

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	0.00%
Forced/involuntary labour	0.00%
Sexual harassment	0.00%
Discrimination at workplace	0.00%
Wages	0.00%
Others – please specify	0.00%

EI-11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.- Not Applicable

Leadership Indicators

LI-1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.-

The company is not in receipt of any grievances or complaints on human rights issues and as such no specific processes have been modified or introduced to address the same.

LI-2. Details of the scope and coverage of any Human rights due-diligence conducted.-

Not Applicable

LI-3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?-

Yes, our premises are accessible to differently-abled visitors and the Company has Elevator facility to ensure the same.

LI-4. Details on assessment of value chain partners:

Category	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	-
Discrimination at workplace	-
Child Labour	-
Forced Labour/Involuntary Labour	-
Wages	-
Others – please specify	-

Remarks: Not applicable, as we do not assess our value chain partners.

LI-5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not applicable

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2025-26	FY 2024-25
From renewable sources		
Total electricity consumption (A)	0	0
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	0	0
From non-renewable sources		
Total electricity consumption (D)	46670.40	47754.00
Total fuel consumption (E)	3894940.73	3663226.138
Energy consumption through other sources (F)		
Total energy consumed from non-renewable sources (D+E+F)	3941611.13	3710980.14
Total energy consumed (A+B+C+D+E+F)	3941611.13	3710980.14
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	12.24 GJ / Lakh	11.74 GJ / Lakh

Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	248.90 GJ / Lakh USD	238.79 GJ / Lakh USD
Energy intensity in terms of physical output	0.01 GJ / Kilometers	0.01 GJ / Kilometers

Remarks: The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year by the IMF for India which is 20.34. https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC

Note: Physical output for the current reporting year is reported in Kilometers(km).

EI-1. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.-

No independent assessment done

EI-2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.- No

EI-3. Provide details of the following disclosures related to water, in the following format:

Parameter	**FY 2025-26**	**FY 2024-25**
Water withdrawal by source (in kilolitres)		
(i) Surface water	0.00	0.00
(ii)Groundwater	15841.00	12620.00
(iii)Third party water	3716.00	0.00
(iv)Seawater / desalinated water	0.00	0.00
(v) Others	30193.00	30370.00
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	49750.00	42990.00
Total volume of water consumption (in kilolitres)	49750.00	42990.00
Water intensity per rupee of turnover (Water consumed / turnover)	0.15 KL / Lakh	0.14 KL / Lakh
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	3.14 KL / Lakh USD	2.77 KL / Lakh USD
Water intensity in terms of physical output	0.00013 KL / Kilometers	0.00012 KL / Kilometers

Remarks: The year gone by witnessed a very favorable monsoon which helped conserve higher quantum of harvested rain water. The company also increased the capacity of storage tanks for rain water which reduced the water withdrawal from other sources. The year also marked usage of recycled and treated water for sewage, gardening and vehicle washing purposes.

The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year by the IMF for India which is 20.34.

Note: Physical output for the current reporting year is reported in Kilometers(km).

EI-3. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

EI-4. Provide the following details related to water discharged: Water discharge by destination and level of treatment (in kilolitres)

Parameter	**FY2025-26**	**FY2024-25**
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	0	0

With treatment – please specify level of treatment	0	0
(ii) To Groundwater		
- No treatment	0	0
With treatment – please specify level of treatment	0	0
(iii) To Seawater		
- No treatment	0	0
With treatment – please specify level of treatment	0	0
(iv)Sent to third-parties		
- No treatment	0	0
With treatment – please specify level of treatment	0	0
(v)Others		
- No treatment	0	0
With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	**0**	**0**

EI-4. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

EI-5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.-

No, the company does not have a Zero Liquid Discharge treatment system. Instead, most of the water used in our centralized maintenance facility at Varur, Hubballi undergoes treatment and is reused for gardening purposes. Additionally, we have installed a bacteria-based, chemical-free water treatment plant at our Varur facility. The sludge from this facility is distributed among local farmers who use it as fertilizer.

EI- 6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	Current Financial Year	Previous Financial Year
NOx	MT	553.89	487.56
SOx	MT	24.66	25.12
Particulate matter (PM)	MT	9.47	9.39
Persistent organic pollutants (POP)	-	0	0
Volatile organic compounds (VOC)	MT	86.65	92.16
Hazardous air pollutants (HAP)	MT	0.87	0.92
Others – please specify in the remark section	-	0	0

Remarks: Calculation methods have been upgraded from static fuel defaults to a Vehicle Vintage Profile. Tailpipe emissions are calculated by mapping vehicle registration dates directly to India's regulatory Bharat Stage (BS) standards. This structural adjustment provides a highly accurate, audit-verifiable map of our actual operations.

EI-6. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.- No independent assessment done.

EI-7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) in MTCO2E & its intensity, in the following format:

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	TCO_2e	251043.8	274255.01
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	TCO_2e	9204	9418.15
Total Scope 1 and Scope 2 emission intensity per rupee of turnover	TCO_2e / rupee of turnover	0.8079 TCO_2e / Lakh	0.8974 TCO_2e / Lakh
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	TCO_2e / rupee of turnover	16.4336 TCO_2e / Lakh USD	18.2537 TCO_2e / Lakh USD
Total Scope 1 and Scope 2 emission intensity in terms of physical output	TCO_2e / Kilometers	0.0007 TCO_2e / Kilometers	0.0007 TCO_2e / Kilometers

Remarks: The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year by the IMF for India which is 20.34.

Note: Physical output for the current reporting year is reported in Kilometers(km)

EI-7. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.-

No independent assessment done

EI-8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.-

As a logistics company, we prioritize the efficient management of our fleet emissions and are actively working to reduce our overall greenhouse gas (GHG) emissions. Given that fleet fuel usage is our primary emission source, our major focus has been on transitioning from older vehicle models to BSVI-compliant vehicles. Additionally, we have commenced the commercial application of electric vehicles for local deliveries, and pick-ups. We are systematically phasing out older models by scrapping them and replacing them with new, energy-efficient vehicles that emit less pollution.

In addition to this, we are committed to using biodiesel instead of fossil fuels to further reduce emissions. However, due to unviable pricing and limited availability of biodiesel, we could not source it in the current fiscal year.

On a seperate note, an earlier project of the company was approved by UNFCCC and the company is holding 74,047 certified carbon credits which it would monitize at an opportune time.

EI-9. Provide details related to waste management by the entity, in the following format:

Parameter	FY2025-26	FY2024-25
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0	0
E-waste(B)	5.9	0.9
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	0	0
Battery waste (E)	30.74	27.66
Radioactive waste (F)	0	0
Other Hazardous waste.Please specify, if any. (G)	111.69	7.13
Other Non-hazardous waste generated (H). Please specify, if any.(Break-up by composition i.e. by materials relevant to the sector)	662579.98	5024.15
Total (A + B + C + D + E + F + G + H)	662728.31	5059.84

Waste intensity per rupee of turnover (Total Waste Generated / Revenue from operations)	2.0575 MT / Lakh	0.0160 MT / Lakh
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Waste Generated / Revenue from operations adjusted for PPP)	41.8486 MT / Lakh USD	0.3256 MT / Lakh USD
Waste intensity in terms of physical output (Total Waste Generated / Physical Output)	0.0018 MT / Kilometers	0.0000 MT / Kilometers
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		

Category of waste - Plastic		
(i)Recycled	-	-
(ii)Re-used	-	-
(iii)Other recovery operations	-	-
Total Plastic Waste Recycled, Re-used and other recovery operations	-	-

Category of waste - E-Waste		
(i)Recycled	5.90	0.90
(ii)Re-used	-	-
(iii)Other recovery operations	-	-
Total E-Waste Recycled, Re-used and other recovery operations	**5.90**	**0.90**

Category of waste - Bio-medical waste		
(i)Recycled	-	-
(ii)Re-used	-	-
(iii)Other recovery operations	-	-
Total Bio-medical Waste Recycled, Re-used and other recovery operations	-	-

Category of waste - Construction and demolition waste		
(i)Recycled	-	-
(ii)Re-used	-	-
(iii)Other recovery operations	-	-
Total	-	-

Category of waste - Battery waste		
(i)Recycled	30.74	27.66
(ii)Re-used	-	-
(iii)Other recovery operations	-	-
Total Battery Waste Recycled, Re-used and other recovery operations	**30.74**	**27.66**

Category of waste - Radioactive waste		
(i)Recycled	-	-
(ii)Re-used	-	-
(iii)Other recovery operations	-	-
Total Radioactive Waste Recycled, Re-used and other recovery operations	-	-

Category of waste - Other Hazardous waste		
(i)Recycled	-	-
(ii)Re-used	-	-
(iii)Other recovery operations	-	-
Total Other Hazardous Waste Recycled, Re-used and other recovery operations	-	-

Category of waste - Other Non-Hazardous waste		
(i)Recycled	2793.85	-
(ii)Re-used	-	-
(iii)Other recovery operations	-	-
Total Other Non-hazardous Waste Recycled, Re-used and other recovery operations	**2793.85**	**-**
Total	**2830.49**	**28.56**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		

Category of waste - Plastic		
(i)Incineration	-	-
(ii)Landfilling	-	-
(iii)Other disposal operations	-	-
Total Plastic Waste Incineration, Landfilling and other disposal operations	-	-

Category of waste - E-Waste		
(i)Incineration	-	-
(ii)Landfilling	-	-
(iii)Other disposal operations	-	-
Total E-waste Waste Incineration, Landfilling and other disposal operations	-	-

Category of waste - Bio-medical Waste		
(i)Incineration	-	-

(ii)Landfilling	-	-
(iii)Other disposal operations	-	-
Total Bio-medical Waste Incineration, Landfilling and other disposal operations	-	-
Category of waste - Construction and demolition waste		
(i)Incineration	-	-
(ii)Landfilling	-	-
(iii)Other disposal operations	-	-
Total Construction Waste Incineration, Landfilling and other disposal operations	-	-

Category of waste - Battery		
(i)Incineration	-	-
(ii)Landfilling	-	-
(iii)Other disposal operations	-	-
Total Battery Waste Incineration, Landfilling and Other disposal operations	-	-

Category of waste - Radioactive		
(i)Incineration	-	-
(ii)Landfilling	-	-
(iii)Other disposal operations	-	-
Total Radioactive Waste Incineration, Landfilling and Other disposal operations	-	-

Category of waste - Other Hazardous waste. Please specify, if any		
(i)Incineration	0.00	0.00
(ii)Landfilling	0.00	0.00
(iii)Other disposal operations	111.69	7.13
Total Other Hazardous Waste Incineration, Landfilling and Other disposal operations	**111.69**	**7.13**

Category of waste - Other Non-hazardous waste generated		
(i)Incineration	0.00	0.00
(ii)Landfilling	0.00	0.00
(iii)Other disposal operations	659786.13	5024.15
Total Other Non-hazardous Waste Incineration, Landfilling and Other disposal operations	**659786.13**	**5024.15**
Total	**659897.82**	**5031.28**

Remarks: Other non-hazardous waste includes the sale of used vehicles and scrap of vehicles including wheel-disk, engine, gearbox, tyres, trolleys etc. These are sold to vendors who are in the business of scrap recycling, rethreading of tyres or using the vehicle for its remaining lifetime. This year, we have also included the waste that has been recycled by 3rd parties.

EI-9. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment done

EI-10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.-

Our waste management practices consist of the following:

1. E-waste, hazardous waste, and battery waste are directed to third-party licensed recyclers for proper handling.
2. Water waste generated from vehicle washing is either treated and reused for washing purposes or ultimately used for gardening.
3. At our Varur Facility, which hosts a centralized vehicle maintenance facility, we have implemented a bacteria-based, chemical-free water treatment system. The resulting sludge from this system is distributed to local farmers as fertilizer.

EI-11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not Applicable			

EI-12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

S. No.	Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable						

EI-13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
1	Compliant	-	-	-

Leadership Indicators

LI-1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

Not Applicable

LI-1. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment done.

LI-2. Please provide details of total Scope 3 emissions (MTCO2E) & its intensity, in the following format:

Parameter	FY 2025-26	FY 2024-25
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	**427.48**	**415.26**
Total Scope 3 emissions per rupee of turnover	0.00 TCO2e / Lakh	0.00 TCO2e / Lakh

Remarks: Calculations have been upgraded from estimates to actual operational data. While Scope 3 emissions typically includes third-party logistics and business travel, our entity does not engage external transportation vendors. Furthermore, all land-based business travel utilizes company-owned vehicles, which are fully accounted for under Scope 1. To eliminate double-counting, our Scope 3 calculation strictly isolates and reports emissions resulting from commercial air travel.

LI-2. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment done.

LI-3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not applicable

LI-4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	We are in the process of converting diesel forklifts to electric forklifts	Used in our transhipment hubs	Reduced Pollution and a safer work environment for our transhipment employees.
2	Fleet Modernisation	We are currently phasing out traditional vehicles and replacing them with modern, environmentally friendly BS-VI vehicles. These vehicles feature advanced technology that emits significantly lower Co2 emissions. Additionally, we are expanding our fleet with new electric and CNG vehicles, further enhancing our commitment to sustainability.	Reduce Scope 1 Co2 emissions.
3	Installing rooftop solar panels	We have successfully implemented rooftop solar panels at several facilities and are actively expanding their installation to other facilities and depots to decrease our dependency on non-renewable energy sources.	Reduce the Co2 footprint of the company.
4	Installation of LED Lights instead of Conventional lights	LED lighting is being predominantly used across a majority of the offices of the Company. Also, preference is being given for the procurement of energy-efficient equipment for new equipment additions as well as for replacement of existing equipment's.	Lower consumption of power.
5	Replacement tab of batteries in trucks	For efficient energy and environment conservation, we have started replacing traditional lead-acid battery with lithium-ion batteries. Lithium-ion batteries offer approximately 50% higher efficiency compared to lead-acid batteries.	Promoting environmental sustainability through innovative technology adoption. Environment friendly initiative.

6	Addition of electric vehicles	Addition of 12 EV Autos and 19 E-Scooters.	Eco-friendly initiative
7	Rain water harvesting	At Varur, where our centralized vehicle maintenance is located, we have dedicated a 100 ft. x 100 ft. x 25 ft. deep space for rainwater harvesting. The same caters to our requirement for over 9 months in a year where more than 3000 people are employed at this facility	Reduced groundwater withdrawal.

Remarks: An earlier project of the company was approved by UNFCCC and the company is holding 74,047 certified carbon credits.

LI-5. Does the entity have a business continuity and disaster management plan? If yes, please give details in 100 words or input web link.

Yes, the Company's operations are spread across 23 States and 5 Union Territories. There is no single area or office with significant business concentration. The Company's independence from any particular product category or geographical region is an inherent strength of its business model, enabling it to recover swiftly from adverse economic scenarios. The Company has remained resilient throughout the current geopolitical tensions and their direct impact on crude oil prices. It is well aware that the effects of such global events may be felt in the immediate to near future and has already begun assessing various internal and external factors to manage the situation and achieve a significant recovery once the crisis subsides. In the past, the Company demonstrated significant recovery after the pandemic. Although it reported substantial losses during the lockdowns, it was resilient enough to recoup those operating losses and bounce back with strong profits after the lockdowns ended. The economy has historically seen several highs and lows, with periods of economic slowdown as well as periods of revival. Having been in existence for over five decades, the Company has consistently demonstrated business growth regardless of economic conditions. This strength again stems from its lack of dependence on any single customer, product, or geography. Regarding business continuity, the entire operations run on the backbone of in house developed technology, and the entire IT framework is developed and maintained internally. This ensures that business operations function online, on a real time basis, in an unhampered manner, and that the organization has the flexibility to implement operational changes with minimal turnaround time.

LI-6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

No such significant or adverse impact on the environment exists.

LI-7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

No such assessment was conducted.

LI-8. How many Green Credits have been generated or procured?

a. Generated by the listed entity -

b Procured by the top ten (in terms of value of purchases and sales, respectively) value chain partners -

Remarks: An earlier project of the company was approved by UNFCCC and the company is holding 74,047 certified carbon credits.

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

EI-1.a. Number of affiliations with trade and industry chambers/ associations.

5

EI-1.b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. NO	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	All Indian Motor Transport Congress (AIMTC) the nodal body of surface logistics players in the country	National
2	We are members of several State Level Goods Transport Associations	State
3	Member of the Federation of Karnataka of Chamber of Commerce and Industry(FKCCI)	State
4	Approved Logistics Service Provider of the Indian Banks Association	National
5	Member of International Air Transport Association (IATA)	National

EI-2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

S. No.	Name of authority	Brief of the case	Corrective action taken
Not Applicable			

Leadership Indicators

LI-1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board	Web Link, if available
1	-	-	-	-	-

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

EI-1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
Not Applicable					

EI-2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the Financial Year (In INR)
Not Applicable						

EI-3. Describe the mechanisms to receive and redress grievances of the community.

No such mechanism has been set up to address grievances. Senior officers would depute as and when such severe grievances are received from the Community.

EI-4. Input material sourced from suppliers (by value):

Category	Current Financial Year	Previous Financial Year
Directly sourced from MSMEs/ small producers	4.27%	18.97%
Sourced directly from within India	100%	100%

EI-5. Job creation in smaller towns- Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost. (Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

Location	Current Financial Year	Previous Financial Year
Rural	2.70%	7.02%
Semi-Urban	10.50%	22.54%
Urban	23.00%	36.15%
Metropolitan	63.80%	34.29%

Note: Predominant portion of our employees are from rural areas and comprise of drivers, hamals, mechanics etc. who work across the country on rotation/deputation. Hence provision of accurate data in this regard is subjective.

Leadership Indicators

LI-1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

S. No.	Details of negative social impact identified	Corrective action taken
Not Applicable		

LI-2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In INR)
Not Applicable			

LI-3.a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)-

No, we don’t have a preferential procurement policy.

LI-3.b. From which marginalized /vulnerable groups do you procure?-

Currently, we are not procuring from any marginalized /vulnerable group.

LI-3.c. What percentage of total procurement (by value) does it constitute?-

0%

LI-4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
Not Applicable				

Remarks: The Company does not deal in inventions, literary, musical, and creative works, as well as symbols, names, pictures, and designs used in commerce, for which IP owners are allowed certain exclusive rights under national IP laws.

LI-5. Details of corrective actions taken or underway, based on any adverse order in intellectual property-related disputes wherein usage of traditional knowledge is involved.

S. No.	Name of authority	Brief of the Case	Corrective action taken
Not Applicable			

LI-6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Environmental Sustainability	2000	50
2	Eradicating hunger and malnutrition	1047	100
3	Livelihood Enhancement Projects	256	80
4	Making available safe drinking water	1080	50
5	Promoting Education	8934	80
6	Promoting Healthcare	603	100
7	Promoting Sports	4502	20
8	Promoting traditional art and culture	1100	20
9	Rural Development	100	100
10	Sanitation	1000	20
11	Setting up incubation centre	500	20
12	Setting up old age home and Orphanage	10	100
13	Women Empowerment	150	0

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

EI-1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback-

We are constantly striving to ensure our users receive the best service experience. Dedicated Customer Care Departments have been established at our Registered Office, Transshipment Hubs and major branches, enabling customers to directly contact relevant personnel to resolve issues promptly. For all other facilities, customers can reach us via phone or email to inquire or lodge complaints. Our Customer Care Department ensures prompt responses and we endeavor to resolve issues at the earliest.

EI-2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

Category	As a percentage to total turnover
Environmental and social parameters relevant to the product	0%
Safe and responsible usage	0%
Recycling and/or safe disposal	0%

Remarks: Not Applicable

EI-3. Number of consumer complaints in respect of the following:

	FY 2025-26			FY 2024-25		
	Received during the year	**Pending resolution at end of year**	**Remarks**	**Received during the year**	**Pending resolution at end of year**	**Remarks**
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Other	345328	954	-	90383	767	-

Remarks: The higher volume complaints in FY 2025-26 reflects an expanded reporting scope and revised classification criteria that now capture all minor grievances to ensure absolute transparency. Further, the pending status reflects cases active at the close of the reporting period, which continue to be addressed in the normal course of operations.

EI-4. Details of instances of product recalls on account of safety issues:

Category	Number	Reasons for recall
Voluntary recalls	0	-
Forced recalls	0	-

EI-5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/ No) If available, provide a web-link of the policy.-

Yes, the company has in place a policy on cyber security and risks related to data privacy. However, the policy has not been made available in public domain.

EI-6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.-

No corrective actions were required as no issues were encountered on advertising, delivery of essential services, cybersecurity, data privacy, product recalls and regulatory actions.

EI-7. Provide the following information relating to data breaches

a. Number of instances of data breaches along-with impact- 0

b. Percentage of data breaches involving personally identifiable information of customers- 0

c. Impact, if any, of the data breaches- Nil

Leadership Indicators

LI-1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).-

The information on services offered by the entity can be accessed through the following link: https://vrlgroup.in/vrl_logistics_service.aspx

LI-2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.-

Not applicable, as VRL Logistics is a service based company, and we are not directly involved in categorizing the types of products we transport for our clients. Our role primarily focuses on ensuring efficient and safe delivery of goods as per our client's requirements and instructions.

LI-3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.-

Information regarding service disruption or discontinuation, if any, can be accessed on our platform at https://vrlgroup.in

LI-4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.- Not Applicable

Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)-

Being a Company engaged in service based industry, survey is being conducted through its Branch officers and marketing teams on various platforms and at different locations on consumer satisfaction and their concerns. The Internal Auditors during their routine inspections and visits at customer places collect the feedback of the services and report the same to concerned regional head.

REPORT ON CORPORATE GOVERNANCE

VRL Logistics Limited **(the "Company")** has a philosophy on Corporate Governance driven by a tradition of fair and transparent conduct. Transparency, integrity, professionalism, accountability-based values, morals, commitment, ethical business conduct and focus on stakeholders' interest form the very basis of Company's governance and the continued application of these principles to the business practices has led to growth of the Company over the years. The Company believes that corporate governance is beyond financial results and is a pre-requisite to the attainment of excellent performance in terms of stakeholders' long term value creation. The Company believes Corporate Governance is an ethically driven business process environment that is committed to values, aimed at enhancing an organization's brand and reputation. Hence, it is imperative to establish, adopt and follow best corporate governance practices, thereby facilitating effective management and carrying out our business by setting principles, benchmarks and systems to be followed by the Board of Directors (**the "Board"**), Management and all Employees in their dealings with Customers, Stakeholders and Society at large. The implementation of such practices generates goodwill amongst all the stakeholders including business partners, customers, employees and investors. It also earns respect from society and brings consistent sustainable growth for your Company and its investors.

The objective of the Company is not only to achieve excellence in Corporate Governance by conforming to prevalent mandatory guidelines on Corporate Governance but also to improve on these aspects on an ongoing basis. It is a reflection of principles entrenched in our values and policies and also embedded in our day-to-day business practices, leading to value driven growth. By upholding these practices, the Company aims to create an efficient and sustainable environment that benefits its stakeholders in the long run. The Company believes that good Corporate Governance is a continuous improvement seeking process and strives to further improve the Corporate Governance practices to meet the expectations of all the stakeholders. The Company is committed to focus its energies and resources in creating and positively leveraging shareholders' wealth and, at the same time, safeguarding the interests of all stakeholders. This is our path to sustainable and profitable existence and growth.

We detail hereunder the Company's compliance with Regulation 34(3) read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (hereinafter referred to as **"SEBI Listing Regulations"**) as applicable:

I) BOARD OF DIRECTORS

The Board is at the core of our corporate governance practice and oversees how the Management serves and protects the long-term interests of our stakeholders. We believe that an active, diversified, well-informed and independent Board is necessary to ensure the highest standards of corporate governance. The Board exercises leadership, integrity and judgment in directing so as to achieve continuing prosperity and to act in the best interest of the Company. The Board plays a critical role in overseeing how the management serves the short-term and long-term interests of shareholders and other stakeholders.

The Board is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with the requisite powers, authorities and duties. Additionally, the Board, aided by its committees, proactively identifies key risk areas and monitors essential performance indicators to ensure the sustained success of its business.

(a) Composition of the Board

The composition of the Board is in conformity with Section 149 & Section 152 of the Companies Act, 2013 ("the Act") and Regulation 17 of the SEBI Listing Regulations, which stipulates that the Board shall have optimum combination of executive and non-executive directors with at least one independent woman director and at least 50% of the Board shall consist of independent directors, as the Chairman of our Board is an executive director.

As on March 31, 2026, the Board consisted of twelve directors. Out of these, three are Executive Directors including the Chairman and the Managing Director, who also are the Promoters of the Company and, by virtue of the Company's Articles of Association, these two directors are not liable to retire by rotation, and the third is a whole-time director who is liable to retire by rotation.

Of the Nine Non-Executive Directors, six are Independent Directors (IDs). The Company has appointed one Independent Woman Director. One of the Non-Executive Directors is related to the promoters and his directorship is subject to retirement by rotation.

The Directors possess the requisite qualifications, expertise and experience in general corporate management, accounts, audit, finance, banking, academics, administration, security, law, engineering and other allied fields enabling them to contribute effectively in their capacity as directors of the Company. The detailed profile of the directors is available on the Company's website at www.vrlgroup.in

The composition of the Board of Directors is summarized below:-

- 1 (One) - Chairman & Managing Director (Promoter)
- 1 (One) - Managing Director (Promoter)

- 1 (One) - Whole-time Director (Executive Director)
- 6 (Six) - Non-Executive, Independent Directors
- 3 (Three) - Non-Executive & Non-Independent Directors, one of whom is related to the Promoters

The Company has issued a formal appointment letter to the IDs, as required under Section 149 of the Act read with schedule IV of the Act. The terms and conditions of appointment of IDs is available on the Company's website.

Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated to impair or impact their ability to discharge their duties in the Company.

In the opinion of the Board and based on the declarations received from the Independent Directors, the Board of Directors has confirmed that these individuals meet the criteria of independence as mentioned under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the Management. Further, the Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

(b) Change in board composition during the financial year

During the financial year under review, there has been no change in the board composition of the Company.

(c) Number of Board Meetings

The Board of Directors met five times during the financial year 2025-26. The meetings were held on 21st May 2025, 4th July 2025, 6th August 2025, 3rd November 2025 and 5th February 2026. The maximum time gap between two consecutive meetings did not exceed one hundred and twenty days as mandated under the Act. The requisite quorum was present in all the meetings, ensuring effective decision-making in the Company.

(d) Directors' attendance record and details of Directorships/Committee Positions held

In terms of SEBI Listing Regulations, none of the Directors on the Board of Directors is a member of more than ten Board-level committees nor Chairperson of more than five such committees, across all companies in which they are a Director.

Further, none of the Directors of the Company serve as Independent Director in more than seven listed companies.

Necessary declarations regarding Committee positions in other public companies as on March 31, 2026, have been received from the Directors.

Table 1 provides the names and categories of Directors, their attendance at the Board Meetings held during the year and at the last Annual General Meeting as also the number of Directorships and Board-level committee positions held by them.

Table 1: Details of the Directors as on March 31, 2026

Name of the Directors and DIN	Category of Directorship	Board meetings		Attended at last AGM held on August 6, 2025	Director-ships of other public companies *	Committee Positions #	
		Held	Present			Chair person	Member
Vijay Sankeshwar DIN:00217714	Chairman & Managing Director	5	5	Yes	-	-	-
Anand Sankeshwar DIN:00217773	Managing Director	5	5	Yes	-	-	-
L R Bhat DIN:01875068	Whole time Director	5	5	Yes	-	-	-
Shiva Sankeshwar DIN:09236519	Non-Executive Director	5	5	Yes	-	-	-
D V Guruprasad DIN:01558266	Independent Director	5	5	Yes	-	-	-
Shankar Vasantrao Pinge DIN:10847936	Independent Director	5	5	Yes	-	1	2
Shantilal Jain DIN:00571902	Independent Director	5	5	Yes	**1	1	2
Vinay J Javali DIN:00589315	Independent Director	5	5	Yes	-	-	1
V A Patil DIN:10395538	Independent Director	5	5	Yes	-	-	1
Shailaja Ambli DIN:10393506	Independent Director	5	5	Yes	-	-	1
Ashok Shettar DIN:07038714	Non-Executive Director	5	3	No	-	-	-
Raghottam Akamanchi DIN:07038738	Non-Executive Director	5	5	Yes	-	1	1

* Excludes private limited companies, foreign companies and companies registered under Section 8 of the Companies Act, 2013 (i.e. associations not carrying on business for profit or which prohibit payment of dividend).

** Mr. Shantilal Jain is a director in Dhanashree Realtors (Hubli) Limited, an unlisted public company.

\# Chairmanship/Membership of Audit Committee and Stakeholder's Relationship Committee in all the public companies were considered.

Note: None of the Directors of the Company are on the Board of any other listed entity.

(e) Information to the Board

Detailed agenda and related papers were sent to each Director in advance prior to the Board and Committee Meetings. As an internal policy, all decisions involving major investments, major capital expenditure, including matters which statutorily require the approval of the Board are circulated for consideration of the Board. Inter-alia, as a matter of policy, the following information, as applicable and required, is provided to the Board as a part of the agenda papers.

- Annual operating plans, budgets and updates thereon.
- Capital budgets and any updates thereon.
- Quarterly, Half yearly and Annual results of the Company and its operating divisions or business segments upon related audit / limited review completion – circulated at the meetings as the information contained herein is unpublished price sensitive information.
- Minutes of meetings of the board and its committees that have been finalized.

- Materially important show cause notices, demand notices, prosecution notices and penalty notices, if any.
- Details of fatal or serious accidents, dangerous occurrences and any other material adverse developments.
- Any material default in financial obligations to and by the Company, or any substantial non-payments by clients/customers.
- Any issue which involves possible public or product liability/claims of substantial nature, including any judgments or orders passed on the conduct of the Company or having an adverse view on other enterprise that can have negative implications on the Company.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Significant development in human resources or on the industrial relations front such as signing of wage agreement etc.
- Sale of Investments, Subsidiaries, assets which are material in nature, and/or of assets which are not in ordinary course of business.
- Compliance with regulatory and statutory requirements highlighting material non-compliances, if any.
- Related Party Transactions for approval, even though all transactions with related parties are at arm's length basis.
- Declaration by Independent Directors at the time of appointment/annually/change in independence.
- Disclosure of Directors' interest and their shareholdings.
- Appointment or removal of Key Managerial Personnel's.
- Appointment of Internal Auditor(s) and Secretarial Auditor.
- Annual Secretarial Audit and Secretarial Compliance Reports submitted by Secretarial Auditor.
- Declaration of Dividend.
- Quarterly summary of all long-term borrowings made, bank guarantees issued and loans and investments made.
- Significant changes in accounting policies and internal controls.
- External regulatory and policy changes that have a potential to adversely affect the Company.

The Audit Committee periodically reviews the compliance reports of all laws applicable to the Company, prepared by the Management as well as steps taken by the Company to rectify instances of non-compliances, if any, and the Chairman of the said committee informs the board suitably in this regard.

(f) Disclosure of relationships between directors inter-se

Dr. Vijay Sankeshwar, Dr. Anand Sankeshwar and Mr. Shiva Sankeshwar are related to each other. Dr. Vijay Sankeshwar is the father of Dr. Anand Sankeshwar and Dr. Anand Sankeshwar is the father of Mr. Shiva Sankeshwar. Except these, none of the other Directors are related to each other in any manner.

(g) Shareholding of Non-Executive Directors

As on March 31, 2026, none of the non-executive directors of the Company held any shares or convertible instruments in the Company.

(h) Details of familiarization programmes imparted to independent directors

Regulation 25(7) of SEBI Listing Regulations stipulates that the Company shall familiarize the independent directors with the Company, their roles, rights, responsibilities, nature of the industry etc., through various programmes. During the financial year, the Board of Directors, its Committees along with the senior management are briefed on overview of the Company's operations, functions and business strategy by presentations from time to time during the meetings. As a good Corporate Governance and Company's standard practice, all new Directors, including Independent Directors, who join the Board, undergo a brief orientation in the ensuing Board meeting. The objective is to provide them with a broad understanding of the Company, its operations, governance structure, areas where they are encouraged to visit, covering the Registered office, its offices and facilities, for opportunity to interact with members of Senior Management team and facilitate an exchange of ideas, allowing the Directors to gain valuable insights into the Company's business operations and strategy.

All the information/documents sought by the Directors are duly shared to enable them to have a good understanding of the Company, its various operations and the industry of which it is a part. During the year, several Independent Directors of the Company were sponsored to attend conferences on familiarisation and knowledge based programmes conducted by the Indian Institute of Corporate Affairs at Mumbai - Maharashtra, Kovalam - Kerala and by the Institute of Company Secretaries of India at Jaisalmer - Rajasthan to enhance their skill, knowledge and to enable them to provide value addition to the Company with their expertise and experience.

Apart from this, our Non-Executive and Independent Directors are also encouraged to visit our branch offices and transhipment hubs and offer their insights and expertise for overall business improvement.

The details of familiarization programmes held for directors can be accessed on the website of the Company at https://vrlgroup.in/vrl_investors_desk.aspx.

(i) Skills, expertise and competencies of the Board

The list of core skills / expertise / competencies, identified by the Board of Directors, as required in the context of its business and sector for it to function effectively and those actually available with the Board are summarized below. All the individuals comprising the Board of the Company are eminent personalities and are people of repute and standing in their individual core sectors / fields.

	Name of the Directors											
Core skills / expertise identified by the Board as requirement for the Company	**VBS**	**AVS**	**LRB**	**SAS**	**RA**	**AS**	**SJ**	**VAP**	**VJ**	**SA**	**DVG**	**SP**
Logistics experience	√	✓	✓	✓					✓		✓	
Business Operations & Mgmt.	✓	✓	✓			✓	✓	✓	✓	✓	✓	
Information Technology			✓	✓	✓	✓	✓			✓		✓
Business Development	✓	✓	✓	✓		✓	✓	✓	✓	✓		✓
Resource mobilisation & optimisation	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Risk Management	✓	✓	✓				✓		✓	✓	✓	✓
Business Strategy	✓	✓	✓	✓		✓	✓		✓	✓	✓	✓
Corporate Governance	✓	✓	✓	✓	✓	✓	✓			✓	✓	✓
Liaising	✓	✓			✓			✓		✓	✓	
Finance & Accounts	✓	✓					✓	✓	✓	✓		✓
Legal expertise					✓			✓			✓	✓
Ethics	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Human Resource Management	✓	✓			✓						✓	

Note: details only in respect of current directors is tabulated above.

VBS - Vijay B Sankeshwar	SJ - Shantilal Jain
AVS - Anand V Sankeshwar	VAP - V A Patil
LRB - L R Bhat	VJ - Vinay Javali
SAS - Shiva A Sankeshwar	SA - Shailaja Ambli
RA - Raghottam Akamanchi	DVG - D V Guruprasad
AS - Ashok Shettar	SP - Shankar Pinge

(j) Confirmation on Independent Directors

The Board, based on disclosures received from all Independent Directors, confirms that all Independent Directors fulfil the conditions of Independence as specified under the Companies Act and SEBI Listing Regulations and are independent of the Management of the Company for the year ended March 31, 2026.

(k) Resignation of Independent Directors

During the financial year, none of the Independent Directors resigned from Board of the Company.

(l) Remuneration to Directors

Directors with pecuniary relationship or business transactions with the Company:

The Chairman & Managing Director **(CMD)**, the Managing Director **(MD)** and Executive Director are the Whole-time Directors **(WTD)** of the Company and they receive remuneration in the form of monthly salary, perquisites, allowances, commission on net profits and other benefits based on their respective agreements entered with the Company, which is duly approved by the shareholders. All the Non-Executive Directors receive sitting fees for attending the Board and Committee meetings. It is to be noted in case CMD / MD / WTD / other directors are interested in other entities, any transactions with such entities are carried out at an arm's length basis and in compliance with applicable laws and regulations.

Criteria of making payments to non-executive directors:

The Non-Executive / Independent Directors of the Company bring with them significant professional expertise and rich experience across wide spectrum of functional areas such as administration, law enforcement, marketing, legal, finance and other corporate and management functions. They bring in an external perspective to decision-making, provide leadership and strategic guidance while maintaining objective judgement and oversee the corporate governance framework of the Company.

The Non-Executive and Independent Directors are paid sitting fees for attending Board and Committee meetings and are allowed reimbursement of expenses for such attendance. The directors are also encouraged to attend conferences conducted by reputed institutions and expenses in relation to such attendance is borne by the Company. No other fee, remuneration, etc. is paid to them. The details of sitting fees paid to Non-Executive and Independent Directors are tabulated below in Table – 2 and Form MGT-7 ('annual return') hosted on the website of the Company.

Remuneration to Executive Directors

The appointment and remuneration of Executive Directors including CMD and MD is governed by the recommendation of the Nomination and Remuneration Committee, resolutions passed by the Board of Directors and Shareholders of the Company. Payment of remuneration to Executive Directors is governed by the respective agreements entered with the Company.

During the year, no stock options were granted to any executive / non-executive directors of the Company. The Company did not advance any loan to any of its Directors during the year.

Annual pay, variable pay or incentives, if any, payable to Executive Directors is approved by the Board based on recommendation from Nomination and Remuneration Committee

Table 2: Remuneration paid / payable to Directors for the year ended March 31, 2026.

(₹ in lakhs unless otherwise stated)

Name of the Director	Salaries, perquisites and allowances	Commission (Variable pay)	Sitting fees	Total
Dr. Vijay Sankeshwar	324.00	172.00	-	496.00
Dr. Anand Sankeshwar	360.00	-	-	360.00
Mr. L R Bhat	198.04	-	-	198.04
Mr. Shiva A Sankeshwar	-	-	1.00	1.00
Mr. Shantilal Jain	-	-	3.60	3.60
Mr. V A Patil	-	-	1.60	1.60
Mr. Vinay J Javali	-	-	2.80	2.80
Dr.(Mrs.) Shailaja Ambli	-	-	1.60	1.60
Dr. Raghottam Akamanchi	-	-	1.80	1.80
Dr. Ashok Shettar	-	-	1.00	1.00
Dr. D V Guruprasad	-	-	2.20	2.20
Mr. Shankar V Pinge	-	-	3.00	3.00
Total	**882.04**	**172.00**	**18.60**	**1072.64**

Service Contracts, Notice Period and Severance fees:

The Company has entered into agreements with Dr. Vijay Sankeshwar, Chairman and Managing Director, Dr. Anand Sankeshwar, Managing Director and Mr. L. R. Bhat, Whole time Director which inter-alia stipulate a three months' notice period to vacate their respective offices held. There is no provision for payment of severance fees. The other Non-Executive Directors and Independent Directors are not subject to any specific requirement of notice period and severance fees.

Code of Conduct

The Board of Directors have laid down a Code of Conduct (Code), for the Directors and designated / specified employees of the Company. The code can be accessed on Company's website. All the Board members and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct as applicable to them, which suitably incorporates the duties of Board Members, Independent Directors and Senior Management Personnel as laid down in the Act. A declaration to this effect signed by Dr. Vijay Sankeshwar, Chairman and Managing Director is annexed to this Report.

II) BOARD COMMITTEES

The Board has constituted various Committees to focus on specific areas and to make informed decisions within their authority. Each Committee is governed by its charter and has well defined terms of reference which outlines the scope, role, responsibilities and powers of the Committee. All the decisions and recommendations of the Committee are placed before the Board for its approval. The various board committees are as under –

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee
- Administration Committee
- Finance Committee
- Bonus Committee

All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of reference / role of the Committees are taken by the Board of Directors. Details on the role and composition of these Committees, including the number of meetings held during the financial year and attendance at meetings, are provided below.

a) Audit Committee

The Audit Committee monitors and effectively supervises Company's financial reporting process with a view to provide accurate and timely financial information including true, fair and complete disclosures and maintain the integrity and quality of financial reporting. The Audit Committee reviews audit and internal control procedures, accounting policies and oversight of Company's financial reporting process from time to time, to ensure the financial statements/financial information are correct, true and fair, sufficient and credible. The Committee also monitors compliance of the Company with applicable laws and regulations.

The Audit Committee acts as a link between the Management, Statutory Auditors, Internal Auditors and the Board.

As on March 31, 2026, the Audit Committee comprised of three Directors i.e. Mr. Shantilal Jain (Chairman), Mr. Vinay J Javali and Mr. Shankar Vasantrao Pinge. All members of the Audit Committee are independent directors who cumulatively, possess accounting, audit, financial, taxation, management and legal knowledge.

The Senior Management team comprising of Executive Directors, Chief Financial Officer, Company Secretary & Compliance Officer, Vice-President (Accounts), attend all the meetings of the Committee. Apart from above, the Internal Auditors, the Secretarial Auditors and the Statutory Auditors were also invited to the meetings of the Audit Committee.

The Audit Committee met 6 (six) times during the year 2025-26, viz. 21st May 2025, 4th July 2025, 6th August 2025, 6th September 2025, 3rd November 2025 and 5th February 2026. The maximum time gap between two consecutive meetings did not exceed one hundred and twenty days.

The minutes of the meetings of the Committee were briefed to and taken note of by the Board. The Board accepted all the recommendations made by the Audit Committee during the year. The details of the composition of the Committee, meetings held, attendance at the meetings along with sitting fees paid, are given in Table 3.

Table 3: Details of the Audit Committee

Name of the Members	Category of Directorship	Position	Meetings held	Meetings attended	Sitting fees
Mr. Shantilal Jain	Independent Director	Chairperson	6	6	1.20
Mr. Vinay J. Javali	Independent Director	Member	6	6	1.20
Mr. Shankar V. Pinge	Independent Director	Member	6	6	1.20

Mr. Aniruddha Phadnavis, Company Secretary acts as the Secretary to the Committee.

Mr. Shantilal Jain, Chairman of the Audit Committee was present at the 42nd Annual General Meeting of the Company held on 6th August 2025, to address shareholders' queries.

The terms of reference of the Audit Committee are in conformity with the requirements of Section 177(1) of the Companies Act, 2013, and Regulation 18 of SEBI Listing Regulations. Powers of the Committee and its terms of reference are as under:

Powers of the Audit Committee

The Audit Committee has powers, which include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee of the Company.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

Terms of reference of the Audit Committee

The role of the Audit Committee includes the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements/information are correct, true and fair, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payments to Statutory Auditors for any other services rendered by the Statutory Auditors;
4. Reviewing along with management, annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    a. Matters required to be included in the Director's Responsibility Statement as part of Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Act;
    b. Changes, if any, in accounting policies and practices and reasons for the same;
    c. Major accounting entries involving estimates, based on the exercise of judgment by Management;
    d. Significant adjustments made in the financial statements arising out of audit findings;
    e. Compliance with listing and other legal requirements relating to financial statements;
    f. Disclosure of any related party transactions including any subsequent modifications; and
    g. Qualifications/observations in the draft audit report
5. Review and examination of quarterly financial statements / financial results before submission to the Board for approval;
6. Reviewing along with Management, statement of usage / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), if any, and statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice including the reports submitted by agency monitoring utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up necessary steps in this matter;
7. Review and monitor Statutory Auditor's independence, performance and effectiveness of audit process;
8. Approval of transactions to be entered with the related parties, including any subsequent modification or changes thereof;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever necessary;
11. Evaluation of internal financial controls and risk management systems;

12. Considering and taking appropriate actions in response to the complaints received under the vigil mechanism;
13. Reviewing along with Management, performance of Statutory Auditors, Internal Auditors and adequacy of the internal control systems;
14. Reviewing adequacy of internal audit functions including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
15. Discussion with Internal Auditors of any significant findings and follow up thereon;
16. Reviewing the findings of any internal investigations by the Internal Auditors in matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting such matters to the Board;
17. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any areas of concern;
18. To look into reasons for substantial defaults in payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, where applicable;
19. To review the functioning of the Whistle Blower mechanism;
20. Approval of appointment of the CFO (or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
22. Reviewing the utilization of loans and / or advances from / investment by the Company, if any.
23. Consider and comment on rationale, cost benefit analysis, evaluation of schemes involving merger, demerger, amalgamation etc., for the Company and its shareholders/stakeholders.

Review of Information by the Audit Committee

1. Management Discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions submitted by the Management;
3. Management letters / letters of internal control weaknesses issued by the Statutory Auditor, if any;
4. Review of the Compliance Report in respect of related laws and regulations as applicable to the Company;
5. Internal audit reports relating to internal control weaknesses;
6. The appointment, removal and terms of remuneration of Internal Auditors; and
7. Statements of deviations against monies raised by issuance of securities, if any.

The Company's Internal Audit Department enables the Management to mitigate any risks and prevent non-compliance of laws and regulations which would affect the financial position and reputation of the Company. The scope and authority of the Internal Audit Department is well defined to maintain its objectivity and independence. The Internal Audit Department is empowered to report directly to Chairman of the Audit Committee and the Chairman and Managing Director of the Company. The Internal Audit Department monitors and evaluates efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the internal audit reports issued from time to time, the Management undertakes corrective actions in their respective areas and thereby strengthens the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee.

The Company continuously invests in strengthening its internal controls and processes. The Internal Auditors attend the meetings of the Audit Committee and submit their recommendations to the Audit Committee which upon due deliberations provides a road map for the future.

b) Nomination and Remuneration Committee

In terms of section 178 of the Companies Act and Regulation 19 of the SEBI Listing Regulations read with Part D of Schedule II to the SEBI Listing Regulations, the Board has constituted a Nomination and Remuneration Committee. Mr. Shantilal Jain, Independent Director is Chairman of the Committee.

As on March 31, 2026, the Committee comprised of four Directors of which three are Independent Directors and one is a Non-Executive Director - Mr. Shantilal Jain (Chairman), Dr. (Mrs.) Shailaja Ambli, Dr. D V Guruprasad and

Dr. Ashok Shettar. Mr. Aniruddha Phadnavis, Company Secretary acts as the Secretary to the Committee.

Mr. Shantilal Jain, Chairman of the Nomination and Remuneration Committee was present at the 42nd Annual General Meeting of the Company held on 6th August 2025, to address shareholder queries.

The Committee met three times during the financial year 2025-26 i.e. on 21st May 2025, 3rd November 2025 and 5th February 2026. The details of the composition of the Committee, meetings held, attendance at the meeting along with sitting fees paid, are given in **Table 4.**

Table 4: Details of the Nomination and Remuneration Committee

(₹ in lakhs unless otherwise stated)

Name of the Members	Category of Directorship	Position	Meetings held	Meetings attended	Sitting fees
Mr. Shantilal Jain	Independent Director	Chairperson	3	3	0.60
Dr. D V Guruprasad	Independent Director	Member	3	3	0.60
Dr. (Mrs.) Shailaja Ambli	Independent Director	Member	3	3	0.60
Dr. Ashok Shettar	Non-Executive Director	Member	3	2	0.40

Terms of reference of the Nomination and Remuneration Committee

In accordance with section 178 of the Act and Regulation 19 of the SEBI Listing Regulations, the role of the Nomination and Remuneration Committee of the Company is as under:

- To formulate criteria for determining qualifications, positive attributes and independence of Directors.
- Evaluate balance of skills, knowledge and experience of the Independent Directors.
- Formulate criteria for evaluation of Independent Directors and that of the Board.
- Identify persons who are qualified to become Directors and individuals who may be appointed in Senior Management positions in accordance with the criteria laid down by the Committee.
- To carry out evaluation of every Director's performance.
- To recommend the Board on appointment and removal of Directors and Senior Management.
- To recommend the Board on policy relating to remuneration of Directors, Key Managerial Personnel and Senior Management.
- To recommend the board on all remuneration, in whatever form, payable to the senior management.
- Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- To devise a policy on Board diversity.
- To carry out any other function as is mandated by the Board from time to time and / or as required under any statutory notification, amendment or modification, as may be applicable.
- To determine extension or continuation of term of Independent Directors based on the report of their performance evaluation.
- To perform such other functions as may be necessary or appropriate for the performance of such duties.

The Committee also works with the Board on the Leadership Succession Plan and prepares Contingency Plans for succession in case of any exigencies.

Board evaluation and criteria for evaluation of performance of independent directors

Pursuant to Section 134 of the Act, the Board is responsible for an annual evaluation of its own performance as also the performance of its Committees, Individual Directors and its Chairperson. Further, under Regulation 17 of SEBI Listing Regulations, performance evaluation of the Independent Directors shall be done by the Board of Directors, excluding Directors being evaluated. During the year, Board, in concurrence with the Nomination and Remuneration Committee, has laid down the evaluation criteria for itself, its Committees, Chairperson, Executive and Non-Executive Directors and Independent Directors.

The evaluation was carried out through a confidential structured questionnaire covering various aspects of the functioning of the Board and its committees. The Board in consultation with the Nomination and Remuneration Committee has laid down varying criteria to be adopted in the evaluation of different directors. Suitable mechanism also exists to ensure that the concerned individual is given due feedback to help him/her appreciate the aspects considered important by other co-directors.

The following parameters were considered to evaluate the performance of the independent Directors:

- Integrity, maintenance of high standard and confidentiality;
- Commitment and participation at the Board & Committee meetings;
- Effective deployment of knowledge and expertise;
- Exercise of independent judgment in the best interest of the Company;
- Interpersonal relationships with other directors and Management.

The following parameters were considered to evaluate the performance of the Board and Committees:

- Size and structure of the Board / Committees;
- Board diversity with respect to Background / experience / competence / gender / etc.
- Review of strategies, risk assessment, robustness of policies and procedures as also organizational culture by the Board;
- Review of the financial reporting process & monitoring Company's internal control system with a special focus on internal controls in relation to financial reporting;
- A review of the overall quality of Board meetings in terms of frequency, notice, agenda circulation, sufficiency of time for meaningful deliberations and quality of discussions;
- Review of flow of information to the Board members, Comprehensive coverage of matters in the agenda papers, conduct of meeting, etc.
- Effective discharge of functions by the Committee vis-a-vis their terms of reference;
- Appropriateness and timeliness of reports relating to compliance with laws and regulations as are applicable to the Company;
- Review of engagement with senior Management team by the Committees and the Board;
- Existence of a mechanism to address potential conflict of interest, appointment / retirement / grievance redressal and remuneration of Board members;
- Review of the time spent by the Board on policy and strategy issues and action plans.

The questionnaire findings were analysed resulting in an unanimous conclusion whereby the Directors acknowledged that the Board and its Committees were functioning effectively.

The Board acknowledged the efforts put in by the Chairperson, Managing Director, Executive Directors, Non-Executive Directors and Independent Directors and concluded that its overall functioning as also the functioning of its committees is effective. Feedback on performance of individual directors was provided to them. The performance of the Chairperson was found to be very effective.

Nomination and Remuneration Policy

Remuneration paid / payable to Key Managerial Personnel (KMP) and Senior Managerial Personnel of the Company is approved by the Board on the recommendation of the Nomination and Remuneration Committee. The Board has adopted a Nomination and Remuneration policy for the Directors/ KMPs and Senior Managerial Personnel and the same can also be accessed on website of the Company

c) Stakeholders' Relationship Committee

In terms of Reg. 20 of the SEBI Listing Regulations, the Stakeholders' Relationship Committee is constituted to look into various aspects of interest of stakeholders of the Company. As on March 31, 2026, this Committee comprised of three Directors viz. Mr. Shankar Vasantrao Pinge (Chairman), Mr. Shantilal Jain (Independent Director) and Dr. Raghottam Akamanchi (Non-Executive Director). Mr. Aniruddha Phadnavis, Company Secretary of the Company acts as the Secretary to the Committee and is also designated as the Compliance Officer of the Company.

This Committee met four times during the year 2025-26 on 21st May 2025, 6th August 2025, 3rd November 2025 and 5th February 2026.

Mr. Shankar Vasantrao Pinge, the Chairman of the Stakeholders Relationship Committee was present at the 42nd Annual General Meeting of the Company held on 6th August, 2025 to address shareholder queries.

Table 5: Details of the Stakeholders' Relationship Committee

(₹ in lakhs unless otherwise stated)

Name of the member	Category of Directorship	Position	Meetings		Sitting fees
			Held	Attended	
Mr. Shankar V Pinge	Independent Director	Chairman	4	4	0.80
Mr. Raghottam Akamanchi	Non-Executive Director	Member	4	4	0.80
Mr. Shantilal Jain	Independent Director	Member	4	4	0.80

Terms of reference of the Stakeholders' Relationship Committee are as follows:

1. To supervise and ensure efficient share transfers, share transmission, transposition, etc.;
2. To approve allotment, transfer, transmission, transposition, consolidation, split, name deletion and issue of duplicate share certificates for equity shares of the Company;
3. To redress shareholders' complaints/grievances like non-receipt of financial statements/annual report, non-receipt of declared dividends, etc.;
4. To review service standards and investor service initiatives undertaken by the Company;
5. To place before the Board meeting, a quarterly report giving details such as number of complaints received, resolved, pending during the quarter;
6. To report immediately to the Board, specific grievance raised by the shareholders / investors which could not be resolved by the committee and which need immediate attention;
7. To address all matters pertaining to Registrar and Transfer Agent, including appointment of new Registrar and Transfer Agent in place of the existing agent;
8. To address all matters pertaining to Depositories for dematerialization of shares of the Company and other matters connected therewith;
9. To attend to any other responsibility as may be entrusted by the Board or investigate any activity within the terms of its reference.
10. Review of measures taken for effective exercise of voting rights by shareholders.
11. Oversee the statutory compliance relating to all securities including dividend payments and transfer of unclaimed amounts to the Investor Education and Protection Fund.

Details of Shareholders' complaints

Details of complaints received, resolved and pending as on March 31, 2026, are as under:

Table 5A – Details of Shareholders' complaints received, resolved and pending during the year 2025-26:

Pending as on April 1, 2025	Complaints Received during the year	Complaints Resolved during the year	Pending as on March 31, 2026
Nil	Nil	Nil	Nil

d) Corporate Social Responsibility (CSR) Committee

In terms of section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) Committee is been constituted and a Corporate Social Responsibility Policy has been formulated upon due approval of the Board. The CSR Policy indicates activities to be undertaken within the purview of schedule VII of the Companies Act, 2013. The CSR Policy can be accessed on the website of the Company.

As on March 31, 2026, CSR Committee comprised of four directors with a combination of Executive Directors and Independent Directors i.e. Dr. Vijay Sankeshwar (Chairman), Dr. Anand Sankeshwar, Mr. Vinay Javali and Mr. Virupaxagouda A Patil.

Terms of reference of the Committee are as under:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company within the ambit of Schedule VII of the Companies Act, 2013. This also includes a review of the said policy on periodic basis, including any changes on the regulatory front, as applicable from time to time.

- Recommend the amount of expenditure to be incurred on the activities referred in the CSR policy and the treatment of short / excess spending in any financial year, as per the provisions of the Act and the Rules made thereunder.
- Monitor the CSR Policy of the Company and its implementation from time to time;
- Monitor the Annual Action Plan for the CSR activities of the Company from time to time.
- Review the need for Impact Assessment, if any, for the projects or programmes.
- Such other functions as the Board may deem fit.

During 2025-26, the Committee met 3 times i.e. on 21st May 2025, 3rd November 2025 and 5th February 2026.

The details of the composition of the Committee, meetings held and attendance at the meeting along with sitting fees paid are given in Table 6.

Table 6: Details of the Corporate Social Responsibility Committee

(₹ in lakhs unless otherwise stated)

Name of the Members	Category of Directorship	Position	Meetings		Sitting fees*
			held	attended	
Dr. Vijay Sankeshwar	Executive Director	Chairman	3	3	-
Dr. Anand Sankeshwar	Executive Director	Member	3	3	-
Mr. Vinay J Javali	Independent Director	Member	3	3	0.60
Mr. Virupaxagouda A Patil	Independent Director	Member	3	3	0.60

* No sitting fees was paid to the Executive directors.

More details on CSR spending by the Company are provided in the Annual report in the section on CSR activities, which forms part of Directors' Report.

(e) Risk Management Committee

The Risk Management Committee is constituted in accordance with Regulation 21 of the SEBI Listing Regulations. The committee being involved with risks associated with the Company in the short term and long term requires by nature that it is in co-ordination with the board of directors and the Board is informed about nature and contents of its discussions, recommendations and actions. Further, in case any of its activities overlap with the other committee(s), it shall work in co-ordination with other committees and undertake activities in line with the terms of reference laid down.

As on March 31, 2026, the said Committee comprises of five members including one Independent Director i.e. Dr. Vijay Sankeshwar (Chairman), Mr. L R Bhat, Executive Director, Dr. D V Guruprasad, Independent Director, Mr. Sunil Nalavadi, Chief Financial Officer and Mr. Raghavendra Malgi, Vice President (Accounts).

Terms of reference of the Committee are as under:

- To formulate, oversee and monitor implementation of a detailed risk management policy **("Policy").** The policy will be subject to periodic review at least once in two years with consideration of the changing industry dynamics and evolving complexity. The policy formulated shall entail the following:
    - o A framework for identification of internal and external risks specifically faced by the Company, including financial, operational, sectoral, sustainability (ESG), information, cyber security or other risks as may be determined by the committee.
    - o Measures for risk mitigation including systems and processes for internal controls towards identified risks.
    - o Business continuity plan.
- Identify and review the risks associated with business of the Company, its exposure and assess Management's actions to mitigate the exposures in a timely manner;

- Review the Company's risk appetite and tolerance limit;
- Reviewing the risk management processes and practices of the Company to ensure that Company has appropriate and adequate methodology, systems, processes and measures in place to monitor and evaluate risks associated with the business of the Company to achieve prudent balance between risk and reward in the ongoing and new business activities;
- Annually review the overall risk management framework with respect to risk assessment and management;
- To evaluate significant risk exposures including business continuity planning and disaster recovery planning to ensure a Business Continuity Plan ("BCP") is in place for the Company.
- Review and assess the effectiveness of the Company-wide risk assessment processes and assess management's actions in mitigating the risk exposures in a timely manner;
- To advise the Board on acceptable levels of risk appetite, tolerance and strategy appropriate to the size and nature of business and the complexity and geographic spread of the Company's operations.
- To review and reassess the adequacy of this charter periodically and recommend any proposed changes to the Board for approval from time to time.
- As and when required, the Committee may assign tasks to the Internal Auditor, the Company's internal Risk management team, seek necessary information/support from any Employee and any external expert advisors considered necessary for any task and will submit their findings to the Committee
- To perform such functions as may be delegated by the Board and/or are prescribed under Companies Act, 2013, SEBI Listing Regulations and any other applicable laws from time to time.

During 2025-26, the Committee met three times i.e. on 21st May 2025, 6th December 2025 and 5th February 2026. The time gap between two consecutive meetings was in compliance with the prescribed timelines.

The details of the composition of the Committee, meetings held and attendance at the meetings along with sitting fees paid are given in **Table 7.**

Table 7: Details of the Risk Management Committee

(₹ in lakhs unless otherwise stated)

Name of the Members	Category	Position	Meetings		Sitting fees*
			Held	Attended	
Dr. Vijay Sankeshwar	Executive Director	Chairman	3	3	-
Mr. L.R. Bhat	Executive Director	Member	3	3	-
Dr. D V Guruprasad	Independent Director	Member	3	3	0.60
Mr. Sunil Nalavadi	Chief Financial Officer	Member	3	3	-
Mr. Raghavendra Malgi	Vice President (Accounts)	Member	3	3	-

* No sitting fees is paid to the Executive directors, key managerial and senior managerial personnel.

(f) Administration Committee

The Administration Committee has been constituted by the Board to facilitate routine business transactions and dealings such as authorizing individuals to appear before court of law / tribunal, enter into lease / leave and license/ rental agreements and to do such other things as may be required from time to time on behalf of the Company. The said committee comprises of three members viz. Dr. Vijay Sankeshwar, Chairman & Managing Director, Dr. Anand Sankeshwar, Managing Director and Dr. Raghottam Akamanchi, Non -Executive Director.

Functions of the Administration Committee/authority delegated to the Committee include the following:

Granting Authorization to Individuals:

1. To execute, for and on behalf of the Company, lease / leave and license agreements, applications, deeds, documents and any other writings in connection with the business of the Company;
2. To enter into any contract binding on the Company and on behalf of the Company;
3. To represent the Company before any Court, Tribunal, Consumer Redressal Forum or any Statutory or other Authority on any matter relating to the operations of the Company or with which the Company is in any way connected or concerned or to represent the Company generally or for any specific purpose or purposes;

4. To sign, submit all statutory forms, applications, declarations, notices, returns, statements, certificates and all such other documents as may be required by the appropriate authorities and to collect all statutory forms and papers from the appropriate authorities;
5. To receive summons, notices etc. and to sign, submit and verify various statements, applications, affidavits, declarations, undertakings, Forms, Returns and other requisite documents whatsoever and file them in any Court, Tribunal or any government authority;
6. To engage Advocates, Tax Practitioners and to sign Vakalatnamas;
7. To collect all types of statutory forms, any papers, cheques, drafts etc. from any person, bank or any State / Central Government Authority;
8. To apply for registration / license of / for the Company with/from various authorities of any state or Centre including but not limited to Municipal Authorities, Provident Fund Authorities, Pollution Control Board / Authorities, Labour Department, Land Revenue Department, Sales Tax authorities, Income Tax authorities, Shops and Establishment Act authorities, Customs and Central Excise authorities, the Director General of Civil Aviation and to do or perform all acts and deeds relating to such matters;
9. To apply, in the name of and for the Company for telephone, telex, fax and other telecommunication and electrical / electronic connections and to do all matters relating to such applications;
10. To Grant General / Special power of attorney or any other document which may be required under any law for time being in force to enter into any agreement, deed or document on behalf of the Company or to represent the Company before any government or other authority, if any;
11. To approve contracts or incur commitments of value not exceeding ₹1 crore on an annual basis, Consultancy assignments including foreign consultancy assignments not exceeding ₹1 crore annually each and Appointment of Agents for Consultancy Assignments involving sponsorship/ agency commission not exceeding ₹1 crore annually each;
12. To do all acts, deeds and things as the said committee deems fit and considers necessary by exercising the powers of the Board which the said committee may lawfully exercise by virtue of the powers hereinabove conferred, including the decisions by way of a circular resolution;

The Committee met fifteen times during FY 2025-26. No sitting fee is payable for its meetings.

g) Finance Committee

The Finance Committee has been constituted to deal with the following matters:

1. To avail non-fund based credit limits including Bank Guarantees from Banks upon such security as may be required by the Banks and agreed to by the Finance Committee and the aggregate amount of such non-fund based limits including Bank Guarantees shall not exceed ₹5 Crores.
2. To avail credit / finance facilities of any description from Banks / Financial Institutions / Bodies Corporate (hereinafter referred to as ‘Lenders’) upon such security as may be required by the Lenders and agreed to by the said committee, provided however that, the aggregate amount of such credit/ finance facilities to be availed by the said Committee between any two consecutive Board meetings shall not exceed ₹300.00 Crores.
3. To hypothecate or create mortgage on assets offered as security in favour of the lenders and file requisite particulars of such charge in favour of the lenders with Registrar of Companies within the time prescribed under the applicable law.
4. To invest and deal with any monies of the Company upon such security (not being shares of the Company) or without security, in such manner as the said committee may deem fit, and from time to time to vary or realize such investments.
5. To make loans to individuals, to place deposits with other companies / firms upon such security or without security in such manner as the said committee may deem fit and from time to time vary / recover such loans / deposits, provided however, that the aggregate amount of such loans / deposits shall not at any time exceed 30% of the aggregate subscribed equity share capital and free reserves of the Company.
6. To open Current Account(s), Collection Account(s), Operation Account(s), or any other Account(s) with Banks and also to close such accounts, which said Committee may consider necessary and expedient and do such other acts incidental or connected therewith.

7. To do all acts, deeds and things as the said committee may deem fit and consider necessary by exercising the powers of the Board which said committee may lawfully exercise by virtue of the powers hereinabove conferred.

As on March 31, 2026, the committee comprises of three directors viz. Dr. Vijay Sankeshwar, Chairman, Dr. Anand Sankeshwar, Managing Director, and Dr. Raghottam Akamanchi, Non- Executive Director. The finance committee met thirteen times during the financial year. No sitting fee is paid for its meetings.

h) Bonus Committee

The Bonus Committee was constituted by the Board to perform acts, deeds and matters required in connection with the implementation of the bonus issue. The committee comprises of Dr. Vijay Sankeshwar, Chairman & Managing Director, Dr. Anand Sankeshwar, Managing Director, Mr. L R Bhat, Executive Director, Mr. Vinay Javali, Independent Director, Mr. Sunil Nalavadi, Chief Financial Officer and Mr. Aniruddha Phadnavis Company Secretary & Compliance Officer.

Functions and/ or the authority delegated to the Bonus Committee include the following:

1. The appointment of legal advisors, depository participants, and other advisors, consultants or representatives and confirmation of the terms of their appointment including remuneration for all such intermediaries/ agencies/ persons, including advisory fees, payment of fee, charges etc. and enter into agreements/ letters in respect thereof;
2. Seeking regulatory approvals required for the Company to implement the bonus issue, as applicable;
3. The opening, operation and closure of the Demat Escrow account/ Unclaimed Demat Suspense account in accordance with the escrow agreement to be executed by the Company with the depository participant;
4. To settle all such questions, difficulties or doubts that may arise in relation to the implementation of the bonus issue;
5. To sign documents as deemed necessary with regard to the bonus issue and to affix the common seal of the Company on relevant documents required to be executed for the bonus issue and to initiate all necessary actions for preparation and issue of various documents and such other undertakings, agreements, papers, documents and correspondence as may be necessary for the implementation of the Bonus issue to SEBI, RBI, ROC, stock exchanges, depositories and/or other appropriate authorities;
6. To deal with stock exchanges (including their clearing corporations), and to sign, execute, and deliver such documents as may be necessary or desirable in connection with implementing the bonus issue;
7. Settling and resolving any queries raised by SEBI, stock exchanges, ROC and any other authorities whatsoever in connection with any matter incidental to and ancillary to such bonus issue;
8. To create and maintain requisite statutory registers and records as required under the Companies Act and to furnish appropriate returns to the appropriate authorities;
9. To do all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary, expedient, usual or proper for the issuance of bonus shares and for matters connected therewith

The bonus committee met 4 times during the financial year. No sitting fee is paid for its meetings.

III) INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on 5th February 2026 inter alia, to discuss:

1. Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
2. Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
3. Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the meeting and expressed their satisfaction on the above matters.

IV) SHAREHOLDER INFORMATION

a) Disclosures regarding the Board of Directors

Mr. L. R. Bhat and Dr. Raghottam Akamanchi are liable to retire by rotation under Section 152 of the Companies Act, 2013, and both have expressed their willingness to get re-appointed as Directors of the Company. The details of Directors' appointment / re-appointment, resignation and retirement are provided in the Directors' Report.

There are six Independent Directors on the Board of the Company as on March 31, 2026. The Company has received declarations from all the Independent Directors stating that they meet the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013.

b) Means of Communication

In accordance with Regulation 46 of SEBI Listing Regulations, the Company has maintained a functional website at www.vrlgroup.in containing basic information about the Company viz., details of its business, financial information, important policies, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances, etc. The contents of the said website are updated as and when warranted.

The quarterly, half-yearly and annual financial results, which are reviewed /audited by the statutory auditors of the Company, as applicable and duly approved by the Board, are filed with Bombay Stock Exchange and National Stock Exchange of India ("the Stock Exchanges"), wherein Company's equity shares are listed, within the prescribed timelines. These results are usually published in Financial Express / Business Line, being leading national English language business dailies, and Vijayavani, a Kannada vernacular newspaper. These results along with presentations made by the Company to Analysts / Investors are also filed with the Stock Exchanges and hosted on the website of the Company.

Further, the Company disseminates to the Stock Exchanges, all mandatory information and price sensitive / such other information, which in its opinion, are material and / or have a bearing on its performance / operations and issues press releases, as applicable, for the information of the public at large.

For the benefit of the members, a separate email id has been created for member correspondence viz., investors@vrllogistics.com.

c) General Body Meetings

The Company generally convenes the Annual General Meeting (AGM) generally during the month of August.

Details of last three Annual General Meetings are as under:

Financial year	Date and time	Special resolutions / Business passed	Venue
2024-25	06.08.2025 at 1:00 PM	a. Revision of remuneration payable to Mr. L R Bhat (DIN: 01875068), Executive Director b. Appointment of Statutory Auditors c. Appointment of Secretarial Auditor d. Alteration of capital clause in the Memorandum of Association e. Issue of Bonus shares	Registered Office: RS No.351/1, Varur, Post Chabbi, Taluk Hubballi, District Dharwad, KA 581207, IN
2023-24	05.08.2024 at 1:00 PM	No Special resolutions were passed	
2022-23	07.08.2023 at 12:30 PM	a. Appointment of Mr. Shantilal Jain (DIN: 00571902) as an Independent Director of the Company for a period of five years w.e.f. date of appointment. b. Approval for payment of remuneration payable to Dr. Anand Sankeshwar (DIN: 00217773) for the FY 2023-24.	

The Company does not expect to pass any resolutions through postal ballot during the ensuing financial year.

d) Change in Senior Management

During the year, there was no change to the Senior Management personnel except as under –

- Mr. Vijayanandaiah S. S, Vice President, based out of Bengaluru resigned from service of the Company.
- Mr. Suresh Annavajhala, Vice President based out of Mumbai resigned from the service of the Company.

- Mr. Prasanna U S, Vice President based out of Kanpur resigned from service of the Company.
- Mr. Sachin Sharma, Bengaluru, was promoted as Vice President
- Mr. Parmeshwaran Ramiyer, was appointed as Vice President, Mumbai.

e) General Shareholder Information

- **Forthcoming Annual General Meeting**

Date	4th August 2026
Day	Tuesday
Time	1:00 P.M
Venue	Registered office of the Company situated at RS. No. 351/1, Varur Post Chabbi Taluk, Hubballi District, Dharwad, Hubballi – 581 207 (18th KM, NH-4, Bengaluru Road, Varur).

- **Last date for Receipt of Proxies**

  August 2, 2026 (before 1.00 p.m. at the Registered Office of the Company)

- **Financial Year**

  The financial year of the Company covers the period commencing from April 1 upto March 31 of the succeeding year.

  The tentative dates of the Board Meetings for consideration of financial results for the year ending March 31, 2027, are as follows:

1st Quarter Results	4th August 2026
2nd Quarter Results	10th November 2026
3rd Quarter Results	9th February 2027
4th Quarter & Annual Results	18th May 2027

- **Dividend Payment date**

  No final dividend has been proposed by the Board for the Financial Year 2025-26.

- **Listing**

  The Equity Shares of the Company are listed on **BSE Limited (BSE)**, Floor 25, P J Towers, Dalal Street, Mumbai 400 001 and **National Stock Exchange of India Limited (NSE)**, Exchange Plaza, Bandra – Kurla Complex, Bandra (East), Mumbai- 400 051. Further, the Company has paid annual listing fees to BSE and NSE for the year 2025-26 and 2026-27.

- **Corporate Identification Number**

  Corporate Identity Number (CIN) of the Company, allotted by the Ministry of Corporate Affairs, Government of India is L60210KA1983PLC005247.

- **Distribution of shareholding as on March 31, 2026**

SL No	Distribution range of shareholding	Number of Shareholders	Number of Shareholders (%)	Total Shares	Total Amount	Total Amount (%)
1	1-5000	71817	90.03	6537753	65377530	3.74
2	5001- 10000	4828	6.05	3464125	34641250	1.98
3	10001- 20000	1896	2.38	2698097	26980970	1.54
4	20001- 30000	470	0.59	1161897	11618970	0.66
5	30001- 40000	217	0.27	759201	7592010	0.43
6	40001- 50000	108	0.14	490093	4900930	0.28
7	50001- 100000	234	0.29	1647188	16471880	0.94
8	100001& Above	200	0.25	158178636	1581786360	90.43
		79770	100	174936990	1749369900	100

- **Shareholding Pattern as on March 31, 2026**

SL	Description	As on March 31, 2026		As on March 31, 2025	
		Total Shares	% Equity	Total Shares	% Equity
1	Promoters	10,53,81,942	60.24	5,26,90,971	60.24
2	Mutual Funds	4,25,78,408	24.34	2,11,48,612	24.18
3	Resident Individuals	1,75,02,507	10.01	80,76,669	9.24
4	Foreign Portfolio - Corp	52,14,865	2.98	31,61,143	3.61
5	Alternative Investment Fund	12,36,140	0.71	10,08,237	1.15
6	Bodies Corporates	13,18,439	0.75	6,25,636	0.72
7	Non Resident Indians	7,23,049	0.41	3,04,820	0.35
8	HUF	4,92,302	0.28	2,63,632	0.30
9	Non Resident Indians- Non Repatriable	4,70,546	0.27	1,81,681	0.21
10	Trusts	12,597	0.01	2,519	0.00*
11	Clearing Members	1,191	0.00*	1,073	0.00*
12	I E P F	4,204	0.00*	1,502	0.00*
13	NBFC	800	0.00*	2000	0.00*
	Total	**17,49,36,990#**	**100.00**	**8,74,68,495**	**100.00**

*% Less than 0.01%

During the year under consideration, the Company has issued bonus shares to the existing shareholders at the ratio of 1:1.

- **Share Transfer System**

All the shares of the Company are held in dematerialised mode.

Members may take note that SEBI, vide Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2022/8 dated January 25, 2022, has mandated Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/ Exchange of securities certificate; Endorsement; Sub division/Splitting of securities certificate; Consolidation of securities certificates/folios; Transmission and Transposition. The Registrars and Share Transfer Agents have put in place an appropriate Share Transfer system to ensure timely share transfers. Share Transfers are registered and returned in the normal course within an average period of 15 days from the date of receipt, if the documents are clear in all respects. Requests for dematerialization of shares are processed and confirmation is given to the respective depositories i.e. NSDL and CDSL within 21 days.

SEBI, vide its notification dated January 24, 2022, has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialised form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.

- **Dematerialization of Shares and Liquidity**

As on March 31, 2026, the entire paid up capital comprising of 17,49,36,990 equity shares of the Company are held in dematerialized form with National Securities Depository Limited and Central Depository Services (India) Limited. The International Securities Identification Number (ISIN) allotted to the shares under the Depository System is INE366I01010.

The break-up of equity shares as on 31st March 2026, is given below:

Category	Number of shareholders	Total shares	Percentage
N S D L	33507	6,16,17,340	35.22
C D S L	47517	11,33,19,650	64.78
Total	**81,024**	**17,49,36,990**	**100.00**

The Promoters hold their entire equity shareholding in the Company in dematerialized form.

- **Outstanding Instruments**

  There are no outstanding Global Depository Receipts / American Depository Receipts / warrants / any convertible instruments.

- **Credit Rating**

  ICRA Limited has revised and upgraded the Long term fund based term loan and Long term fund based working capital loan rating of the Company from [ICRA] A+ Stable to [ICRA] A+ Positive.

  As indicated by ICRA, the revision in the outlook from Stable to Positive is due to the future expectation that Company will sustain growth momentum in its core goods transport business, supported by expansion in its fleet and branch network. This coupled with recent revision in freight rates as well as companies exit from low-margin businesses will lead to improved profitability over historical levels in the near to medium term. Over the last three years, the Company has expanded and replaced its fleet as well as increased its branch network, leading to improvement in its overall operational efficiency. Additionally, the increase in freight rates undertaken in FY 2025 has led to year on year revenue growth. These strategic measures have aided in generating higher revenues and stronger operating margins for the Company.

- **Commodity price risk or foreign exchange risk and hedging activities**

  The Company had no material foreign exchange transactions during the year and hence the Company has not opted for hedging. Details of foreign currency exposure are disclosed in notes to the financial statements. As such no disclosure is warranted in terms of SEBI circular SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018.

- **Registrars and Share Transfer Agents:**

  KFin Technologies Limited

  (Unit: VRL Logistics Limited)

  Tower B, Plot No. 31 & 32, Selenium Building Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032

  Telephone: +91-40-23312454, Fax: +91-40-23311968

  Email: einward.ris@kfintech.com

  Website: www.kfintech.com

- **Plant Locations:**

  Registered Office: RS No. 351/1, Varur Post Chabbi Taluk Hubballi, District Dharwad, Hubballi, KA 581207, IN

  Corporate Office: Giriraj Annexe, Circuit House Road, Hubballi, KA 580 029, IN

  The Company operates on a Pan-India basis with 1293 branches including 50 transshipment hubs across 28 States and Union Territories.

- **Address for members' correspondence**

  Members are requested to correspond with the Registrars & Share Transfer Agents at the address given above for all matters relating to transfer/ dematerialisation of shares, payment of dividend and any other query relating to Equity Shares of the Company.

  The Company has maintained an exclusive email id: investors@vrllogistics.com, which is designated for investor correspondence for the purpose of registering any investor related complaints and the same has been displayed on the Company's website: www.vrlgroup.in

  Members are required to note that, in respect of shares held in dematerialized form, they will have to correspond with their respective Depository Participants (DPs) for related matters.

  Members may contact the Compliance Officer and/ or the Investor Relation Officer at the following address:

  Compliance Officer:

  Mr. Aniruddha Phadnavis

  Company Secretary & Compliance Officer

  Corporate Office, Giriraj Annexe, Circuit House Road, Hubballi, KA 580 029, IN

  Email: investors@vrllogistics.com

  Phone: 0836 2237511

Investor Relation officer (Financial disclosure and Investor relations correspondence)

Mr. Sunil Nalavadi – Chief Financial Officer

Tel: 0836 2237511

E-mail id: cfo@vrllogistics.com

V) AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE COMPLIANCE

The Company has obtained a Certificate from its Statutory Auditors regarding compliance of the conditions of Corporate Governance, as stipulated in Regulation 34(3) and Part C of Schedule V of SEBI Listing Regulations and the same forms part of this report.

VI) STATEMENT OF UNCLAIMED SHARE APPLICATION MONEY DIVIDEND AS ON MARCH 31, 2026

Pursuant to Section 125 of the Companies Act, 2013, the amount of unpaid/unclaimed dividend due for payment would be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government on expiration of seven years from the date they become due for payment. The following table depicts the total amount remaining in the unclaimed dividend account and the due date of transfer of said amount to IEPF account.

Year	Date	Particulars	Dividend amount per share (in ₹)	Amount unclaimed as on 31.03.2026	Last date for claim	Due date to transfer unclaimed amount to IEPF
2018-19	10.08.2019	Final Dividend	2.00	94,632	14.09.2026	14.10.2026
2019-20	09.11.2019	Interim Dividend	4.00	1,35,456	14.12.2026	13.01.2027
2019-20	08.02.2020	Second Interim Dividend	3.00	1,34,790	15.03.2027	14.04.2027
2020-21	07.08.2021	Final Dividend	4.00	1,61,717	11.09.2028	11.10.2028
2021-22	02.02.2022	Interim Dividend	8.00	2,32,661	09.03.2029	08.04.2029
2022-23	07.08.2023	Final Dividend	5.00	89,580	12.09.2030	12.10.2030
2024-25	13.11.2024	Interim Dividend	5.00	82,720	19.12.2031	18.01.2032
2024-25	06.08.2025	Final Dividend	10.00	1,99,573	12.09.2032	12.10.2032
2025-26	05.02.2026	Interim Dividend	5.00	2,36,475	14.03.2033	13.04.2033

During the year, a sum of ₹1,39,769/- unclaimed interim dividend for the FY 2018-19, has been transferred to the Investor Education and Protection Fund.

VII) MANAGEMENT

Management Discussion and Analysis

Management Discussion and Analysis is given in a separate section forming part of the Directors' Report in this Annual Report.

Business Responsibility & Sustainability Report

Business Responsibility & Sustainability Report is given in a separate section forming part of this Annual Report.

Affirmations and Disclosures

a) Compliances with Governance Framework

The Company is in compliance with all mandatory requirements under the SEBI Listing Regulations.

b) Related Party Transactions

Details of related party transactions are presented as part of the Notes to the Financial Statements All details on the financial and commercial transactions, where Directors may have a potential interest, are analysed by the Audit Committee and put up to the Board. The interested directors neither participate in the discussions nor vote on such matters.

No other material significant related party transactions have been entered into by the Company in terms of section 188 of the Companies Act, 2013 and regulation 23 of SEBI (LODR) Regulations, 2015 All transactions entered into with the related parties as defined under Companies Act, 2013 during the year were in the ordinary course of business and on an arm's length basis and did not attract provisions of Section 188 of Companies Act, 2013, relating to approval of shareholders. Omnibus approval of the Audit

Committee was obtained for all such transactions which are repetitive and normal in nature. All transactions with related parties were entered into with prior approval of Audit Committee as well as the Board and reviewed by the Audit Committee once transacted. Further, disclosures on such transactions are made to the Audit Committee and the Board on a quarterly basis.

Disclosures relating to related party transactions are filed with the stock exchanges on a half-yearly basis During FY 2025-26, there were no materially significant related party transactions that may have potential conflict with the interest of the Company.

A statement containing disclosure of transactions with related parties as required under Indian Accounting Standard 24 (Ind AS 24) including transaction with promoter/promoter group are set out separately in this Annual Report.

The Company has adopted a Related Party Transactions Policy which is available on the website of the Company.

c) Non-compliance, penalties, strictures imposed on the Company

There were no instances of non-compliance, penalties, strictures imposed on Company by the Stock Exchanges, SEBI or any statutory authority, on any matter related to capital markets, during the last three financial years.

d) Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel has been denied access to the Audit Committee

The Company has implemented a vigil mechanism policy to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The policy provides for adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. During the year, none of such personnel have been denied access to the audit committee.

The Company has adopted a Whistle Blower Policy which is available on the website of the Company.

e) Accounting treatment in preparation of financial statements

The Company has followed the Indian Accounting Standards notified under Section 133 of the Act read with Companies (Indian Accounting Standards (Ind AS) Rules, 2015, in preparation of its financial statements.

f) Risk Management

The Company has established a robust risk management framework. Under this framework, risks are identified across all business processes of the Company on continuous basis. Once identified, these risks are systematically categorized as strategic risks, business risks or reporting risks.

To address these risks in a comprehensive manner, each risk is mapped to the concerned department further action. Based on this framework, the Company has set in place various robust procedures for risk management. The same is reviewed and monitored by the Risk Management Committee as also the Audit Committee of the Board on a periodic basis.

The Company has adopted a Risk Management Policy which is available on the website of the Company.

g) Code of Internal Procedures and Conduct for regulating, monitoring and reporting of trading by insiders

The Company has adopted policy on prevention of Insider Trading practice in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015. The said code governs the trading by insiders of the Company.

The objective of this Code is to prevent purchase and / or sale of shares of the Company by an insider on the basis of unpublished price sensitive information. Under this Code, Directors and designated employees are completely prohibited from dealing in the Company's shares when the Trading Window is closed. Further, the Code specifies the procedures to be followed and disclosures to be made by Directors and the designated / specified employees, while dealing with the shares of the Company and enlists the consequences of any violations. Mr. Aniruddha Phadnavis, Company Secretary, has been designated as the Compliance Officer for this Code. The Company also makes frequent communication to the designated employees, to ensure they are aware of their obligations under the SEBI PIT Regulations.

The Audit Committee and the Board at its meeting held on 05th February 2026 had reviewed the compliance in terms of Regulation 9A(4) of SEBI PIT Regulations and confirmed that the systems for internal control with respect to Prevention of Insider Trading Regulations are adequate and are operating effectively.

The Company has adopted a Code of Internal Procedures and Conduct for regulating, monitoring and reporting of trading by insiders which is available on the website of the Company.

h) Chairman and Managing Director / Chief Financial Officer Certification

As required under Regulation 17(8) of the SEBI Listing Regulations read with Part B of Schedule II, the Chairman and Managing Director and the Chief Financial Officer of the Company have certified to the Board, the Financial Statements for the year ended March 31, 2026 and their certificate is annexed to this report.

i) Pledge of Equity Shares

No pledge has been created over the equity shares held by either Promoters and / or Promoter Group Shareholders as on March 31, 2026.

j) The Corporate Governance report shall also disclose the extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted

The Company fulfils the following discretionary requirements pursuant to Regulation 27(1) of the SEBI Listing Regulations read with Part E of Schedule II.

- The Company is in the regime of un-qualified financial statements.
- The Internal Auditors report directly to the Audit Committee.

k) Details of compliances with mandatory requirements of corporate governance and adoption of non-mandatory requirements

All mandatory requirements of corporate governance have been complied with. Details of compliance with non-mandatory requirements or discretionary requirements as required under Part E of Schedule II are provided under point (j) above.

l) Compliance with Secretarial Standards

The Institute of Company Secretaries of India issued Secretarial Standards for Board and General Meetings in exercise of powers under Section 118 of the Act. The Company complies with all requirements of said Secretarial Standards.

m) Subsidiary/ Associate /Joint Venture companies

The Company does not have any subsidiary, Associate, Joint Venture Companies.

n) Details of utilization of funds raised through preferential allotment or qualified institutional placement as specified under Regulation 32 (7A)

During the year under review, the Company has not raised any amount through preferential allotment or qualified institutional placement.

o) A certificate from a company secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

The Company has obtained a Certificate pursuant to the Regulation 34(3) read with Schedule V of the Listing Regulations, from a Practicing Company Secretary, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies either by Securities and Exchange Board of India or the Ministry of Corporate Affairs or any other Statutory Authorities. The said certificate forms part of this report.

p) Where the board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant financial year:

Not Applicable

q) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

Details of remuneration paid to Auditors of the Company are provided below:

Sl. No.	Particulars	Amount (₹ in Lakhs)
1.	Audit Fees (Inclusive of GST)	95.25
2.	Certification work	1.48
3.	Reimbursement of Expenses	0.26
Total		**96.99**

r) **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

The details relating to the same are provided in the Board's report. No complaint was received during the year.

s) **Disclosure by listed entity and its subsidiaries of Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount:**

The Company does not have any subsidiary company and has not provided any loans or advances to any firm or companies wherein directors are interested.

t) **Disclosures of certain types of agreements binding listed entities:**

The Company or promoters have not entered into any agreement covered under Clause 5A of paragraph A of Part A of Schedule III of SEBI Listing Regulations.

u) **Disclosures with respect to demat suspense account/ unclaimed suspense account**

- Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: Nil
- Number of shareholders who approached listed entity for transfer of shares from suspense account during the year: Nil
- Number of shareholders to whom shares were transferred from suspense account during the year: Nil
- Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year: **1 shareholder holding 1 (One) share**

The said single share was transferred to such Suspense account due to the closure of demat account by the eligible shareholder just prior to anticipated transfer of Bonus share.

The voting rights on the above share would remain frozen till the rightful owner claims his share.

VIII) INVESTOR SAFEGUARDS AND OTHER INFORMATION:

- **Dematerialization of Shares**

  There were no physical shares held by the shareholders of the Company as on 31 March 2026. All the shares are in dematerialised form.

- **Revalidation of Dividend Warrants**

  In respect of members who have either not opted for NECS / ECS mandate or do not have such a facility with their bankers and who have not encashed earlier dividends paid by the Company, re requested to write to the Company's Share Transfer Agents for revalidation of expired dividend warrants and failing their encashment for a period of seven years, they stand to lose the right to claim such dividend from the Company owing to transfer of unclaimed dividends beyond seven years to Investor Education and Protection Fund, as detailed under point no. VI above.

  The SEBI (LODR) (Fifth Amendment) Regulations, 2025 notified and effective from 18.11.2025, amended Regulation 12 and omitted the option provided therein for payment of divided by providing dividend warrants / cheques in absence of a way to ensure payment through electronic mode of payment. Therefore, the Company has ensured compliance of the same, by ensuring payment of dividend solely by the electronic modes of payment from the effective date and incorporating appropriate amendment in its Dividend Distribution Policy.

- **Update Address / E-Mail Address / Bank Details**

  To receive all communications/update on corporate actions promptly, members holding shares in dematerialized form are requested to please update their address / e- mail address / bank details with the respective Depository Participants and in case of physical shares, the updated details have to be intimated to the Registrar and Share Transfer Agents.

- **Electronic Service of Documents to Members at the Registered Email Address**

  As a responsible corporate citizen, your Company is supportive of the "Green Initiatives" taken by the Ministry of Corporate Affairs, Government of India (MCA) and Securities and Exchange Board of India (SEBI). Accordingly, in respect of Members who have registered their email addresses, the Company will be dispatching all documents vide electronic form.

  In accordance with Rule 18 of the Companies (Management and Administration) Rules, 2014 notified under the Companies Act, 2013, the companies may give Notice of the General Meetings through electronic mode.

Further, the said Rule provides that advance opportunity should be given at least once in a financial year to the Members for registering their email address and changes therein, as may be applicable. Further, Rule 11 of the Companies (Accounts) Rules, 2014 notified under the Companies Act, 2013 provides that in case of listed companies, financial statements may be sent by electronic mode to such members whose shareholding is in dematerialized form and whose email Ids are registered with the Depository for communication purposes. As regards members whose shareholding is held in physical form, the financial statements may be sent in electronic mode to those members who have positively consented in writing for receiving such documents by electronic mode.

In view of the above, the Company shall send all documents like General Meeting Notices (including AGM notices), Annual Reports comprising Audited Financial Statements, Directors' Report, Auditors' Report and any other future communication (hereinafter referred as **"documents"**) in electronic form, in lieu of physical form, to all those members, whose email address is registered with Depository Participant (DP)/Registrars and Share Transfer Agents (RTA) (hereinafter **"registered email address'**) and made available to us, which would be deemed to be the member's registered email address for serving the aforesaid documents. To enable the servicing of documents electronically to the registered email address, we request the members to keep their email addresses validated/updated from time to time. We wish to reiterate that Members holding shares in electronic form are requested to please inform any changes in their registered e-mail address to their DP from time to time and members holding shares in physical form have to write to our RTA, KFin Technologies Limited at their specified address, so as to update their registered email address from time to time.

Please note that the **Annual Report** of the Company will also be available on the Company's website for ready reference. Members are also requested to take note that they will be entitled to be furnished, free of cost, the aforesaid documents, in physical form, upon receipt of requisition from the member, anytime, as a member of the Company.

- **E-Voting Facility to members**

  In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members the facility to exercise their right to vote at the 43rd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by KFin Technologies Limited.

- **Register Nomination(s)**

  Members holding equity shares of the Company, are requested to register the name of their nominee(s), who shall succeed the member as the beneficiary of their shares and in order to avail this nomination facility, Members holding shares in dematerialized form are requested to register their nominations directly with their respective DPs.

- **Dealings of Securities with Registered Intermediaries**

  In respect of dealings in securities, members must ensure that they deal only with SEBI registered intermediaries and must obtain a valid contract note/ confirmation memo from the broker/sub-broker within 24 hours of execution of the trade(s) and it should be ensured that the contract note/confirmation memo contains details about order no., trade no., trade time, quantity, price and brokerage. In case the intermediary does not act professionally, Members can take up the matter with SEBI.

- **Compliance with Regulations 17 to 27 and Regulation 46(2) (b) to (i)**

  The disclosures contained in this Corporate Governance Report under various sections comprehensively cover the requirements specified under Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (LODR) Regulations, 2015. The Company has complied with all the aforesaid regulations during the financial year ended March 31, 2026.

Dr. Vijay Sankeshwar	**Dr. Anand Sankeshwar**
Chairman & Managing Director	**Managing Director**
(DIN: 00217714)	**(DIN: 00217773)**
Place: Hubballi	Place: Hubballi
Date: May 18, 2026	Date: May 18, 2026

COMPLIANCE CERTIFICATE

(Ref: Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

May 18, 2026

To,
The Board of Directors
VRL Logistics Limited
Corporate Office,
Giriraj Annexe, Circuit House Road
Hubballi - 580 029

We, Dr. Vijay Sankeshwar, Chairman and Managing Director and Sunil Nalavadi, Chief Financial Officer of the Company hereby certify that:

A. We have reviewed the financial results and cash flow statement for the year ended March 31, 2026 and that to the best of our knowledge and belief:

   1. These statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

B. We, to the best of our knowledge and belief, no transactions entered into by the Company during the periods which are fraudulent, illegal or violative of the company's code of conduct;

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps have been taken to rectify these deficiencies;

D. We have indicated to the Auditors and Audit Committee that there are no:

   1. Significant changes in internal control over financial reporting during the year;

   2. Significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements;

   3. Instances of significant fraud of which we have become aware and the involvement therein, if any of the management or any employee having a significant role in the Company's internal control system over financial reporting.

DR. VIJAY SANKESHWAR
Chairman and Managing Director
DIN: 00217714

SUNIL NALAVADI
Chief Financial Officer

CODE OF CONDUCT DECLARATION

DECLARATION REGARDING COMPLIANCE BY THE BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

To

The Members of

VRL Logistics Limited

Pursuant to Regulations 34(3) read with Part D of Schedule V of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, I hereby declare that the Company has obtained affirmative Compliance with the "Code of Conduct from all the Board members and Senior Management Personnel" of the Company for the financial year ended March 31, 2026.

DR. VIJAY SANKESHWAR
CHAIRMAN AND MANAGING DIRECTOR
(DIN: 00217714)

Place: Hubballi

Date: May 18, 2026

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members of
VRL Logistics Limited
Rs No.351/1, Varur Post Chabbi Taluk Hubli
Dist. Dharwad Hubli 581207

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s VRL Logistics Limited having CIN:L60210KA1983PLC005247 and having its Registered office at RS No.351/1, Varur, Post Chabbi, Taluk Hubballi, District Dharwad, Hubballi – 581 207, produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verification (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on 31st March, 2026 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For A S Pachlag and Co.,
Company Secretaries

Akshay S Pachlag
M. No.30741, CP: 11710
P R No. 1377/2021
UDIN: A030741H000294917

Date: 06-05-2026
Place: Hubballi

Independent Auditor's Certificate on compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,

The Members of

VRL Logistics Limited

To the Members of VRL Logistics Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 27 October 2025.
2. We have examined the compliance of conditions of corporate governance by VRL Logistics Limited (the 'Company') for the year ended 31 March 2026, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations'), as of 22 January 2026.

Management's Responsibility

3. The compliance of conditions of corporate governance is the responsibility of the management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'), and Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI, which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31 March 2026.

   We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

8. This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Bharat Shetty
Partner
Membership No.: 106815

UDIN: 26106815UWVRUN8557

Place: Hubballi
Date: 18 May 2026

Walker Chandiok & Co LLP
Chartered Accountants
42 nd Floor, Building Commerz III,
International Business Park, Oberoi Garden City,
Off Western Express Highway,
Goregaon (East), Mumbai - 400063
T +91 22 6626 2699

Independent Auditor's Report

To
THE MEMBERS OF

VRL LOGISTICS LIMITED

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of **VRL Logistics Limited** (the 'Company'), which comprise the Balance Sheet as at 31 March 2026, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2026, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing 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 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 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 Code of Ethics issued by the ICAI. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. 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.

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit matters
Revenue recognition Refer notes 1(d)(xii) and 20 to the accompanying financial statements for the material accounting policy information on revenue recognition and details of revenue recognised during the year, respectively. The Company derives its revenue primarily from transportation and logistics services majorly consisting of Less-Than-Truck-Load ('LTL'), Full-Truck-Load ('FTL') and courier services. The Company recognizes the revenue in accordance with the principles of Ind AS 115 "Revenue from Contracts with Customers" ('Ind AS 115') at point in time when performance obligation is satisfied i.e., upon delivery of consignments to customers. Revenue is one of the key performance indicators for the Company and is determined to be an area involving presumed fraud risk as per the requirements of Standards on Auditing Further, significant auditor's effort is required to obtain an understanding of revenue which is generated through multiple billing and collection models like paid, to-pay and on account customers. There is a risk of inappropriate recognition of revenue due to decentralized and high-volume of transactions spanning across large branch and transshipment networks of the Company and hence, significant auditor attention is required to ensure timing and accuracy of revenue recorded during the year. Considering the volume of transactions, materiality of the amount involved and significant attention required by the auditor as mentioned above, revenue recognition has been identified as a key audit matter for the current year audit.	Our audit procedures included, but were not limited to the following: • Obtained an understanding of the Company's revenue recognition process and assessed the appropriateness of the accounting policy for revenue recognition in accordance with the requirements of Ind AS 115. • Evaluated the design and tested the operating effectiveness of key internal financial controls over revenue recognition, including controls over consignment booking, billing, rate application and invoicing across different revenue models. • Evaluated the integrity of the general information and technology ('IT') control environment and tested the operating effectiveness of key IT application controls. • Performed substantive testing of revenue transactions recorded during the year on a test check basis including for specific periods before and after the financial year end by verifying the underlying consignment and delivery documentation to ensure that the correct amount of revenue is recorded in correct period. • Performed analytical procedures, including trend analysis and reasonableness checks on revenue, and investigated material/ unusual deviations. • Assessed the appropriateness and adequacy of disclosures made in the financial statements in accordance with the requirements of applicable financial reporting framework.

Key audit matter	How our audit addressed the key audit matter
Accounting for leases Refer notes 1(d)(v) and 32 to the accompanying financial statements for the material accounting policy information on leases and lease related disclosures, respectively. The Company operates through an extensive network of branch offices and trans-shipment hubs across India and has entered into a large number of lease arrangements for premises. As at 31 March 2026, the carrying value of right-of-use assets and lease liabilities amounts to ₹ 59,672 lakhs and ₹ 69,844 lakhs representing 23% and 48% of total assets and total liabilities, respectively. The Company applies Ind AS 116 “Leases” (‘Ind AS 116’) to account for lease contracts which requires the Company to recognize ‘lease liabilities’ representing the obligation with respect to unpaid lease obligations under such contracts, and ‘right-of-use assets’ representing the value of right to use the underlying assets for the lease term. Significant management judgement is required in determining whether a contract contains a lease, assessment of lease term, including assessment of extension and termination options, determination of appropriate discount rates, identification and accounting of lease modifications including termination, and application of practical expedients available under Ind AS 116. Considering the materiality of amounts involved and large volume of individual lease contracts entered into by the Company that require significant degree of judgement and significant auditor efforts, accounting for leases has been identified as a key audit matter for the current year audit.	Our audit procedures included, but were not limited to the following: • Assessed the appropriateness of the Company’s lease accounting policies in accordance with the requirements of Ind AS 116. • Obtained an understanding of the management’s process for identification and accounting of leasing arrangements as per Ind AS 116. Evaluated the design and implementation and tested the operating effectiveness of key internal financial controls relating to identification, modification, termination of lease contracts and accounting of lease contracts. • Ensured the completeness of the population of lease contracts by reconciling, on a test check basis, lease records with underlying agreements and other supporting documentation. • Obtained and examined, on a sample basis, the lease agreements for new leases and modified leases during the current financial year, to verify that the particulars considered for calculation of right-of-use assets and lease liabilities as at the reporting date, were consistent with the corresponding terms of such contracts. Further, for such new or modified lease contracts, evaluated whether management’s determination of the lease term is accurate, including assessment of appropriateness of management’s estimation relating to the probability of management exercising lease renewal options given under such contracts, basis our discussion with the management, past trends and understanding of the business plans. • Assessed the reasonableness of the discount rates applied in measuring lease liabilities. • Recomputed, on a test check basis, the amount of right-of-use assets, lease liabilities, depreciation and interest expense including the accounting impact for lease modifications for the current financial year. • Assessed the appropriateness and adequacy of disclosures made in the financial statements in accordance with the requirements of applicable financial reporting framework.

Information Other than the Financial Statements and Auditor’s Report Thereon

6. The Company’s Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor’s report thereon. The Annual Report is expected to be made available to us after the date of this auditor’s report.

   Our opinion on the 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 financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

7. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the financial statements, the 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

9. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the 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 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 financial statements.

11. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism 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 adequate 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 Board of Directors' 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; and
    - 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.

12. 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.

13. 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.

14. 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 regulation 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.

Other Matter

15. The financial statements of the Company for the year ended 31 March 2025 were audited by the predecessor auditor, Kalyaniwalla & Mistry LLP, Independent chartered accountants, who had expressed an unmodified opinion on those financial statements vide their audit report dated 21 May 2025.

Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

17. As required by the Companies (Auditor's Report) Order, 2020 (the 'Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in Annexure – I, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

18. Further to our comments in Annexure – I, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;

    b) Except for the matters stated in paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended), 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 financial statements dealt with by this report are in agreement with the books of account;

    d) In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

    e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 from being appointed as a director in terms of section 164(2) of the Act;

    f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 18(b) above on reporting under section 143(3)(b) of the Act and paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

    g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2026 and the operating effectiveness of such controls, refer to our separate report in Annexure – II wherein we have expressed an unmodified opinion; and

    h) 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company, as detailed in note 29 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2026;

        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2026;

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2026;

iv.

a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 39(e) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities (the 'intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (the 'Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 39(e) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (the 'Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The interim dividend declared and paid by the Company during the year ended 31 March 2026 and until the date of this audit report is in compliance with section 123 of the Act. Further, the final dividend paid by the Company during the year ended 31 March 2026 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

vi. As stated in note 40 to the financial statements and based on our examination which included test checks, except for the instances mentioned below, the Company, in respect of financial year commencing on 1 April 2025, has used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with other than the consequential impact of the exception given below. Furthermore, the audit trail has been preserved by the Company as per the statutory requirements for record retention where such feature was enabled.

Nature of exception noted	Details of exception
Instances of accounting software for maintaining books of account for which the feature of recording audit trail (edit log) facility was not operated throughout the year for all relevant transactions recorded in the software	The audit trail feature was not enabled at the database level for accounting software to log any direct data changes, used for maintenance of all accounting records by the Company.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Bharat Shetty
Partner
Membership No.: 106815

UDIN: 26106815UYGOZP7378

Place: Hubballi
Date: 18 May 2026

Annexure – I referred to in paragraph 17 of the Independent Auditor's Report of even date to the members of VRL Logistics Limited (the 'Company') on the financial statements for the year ended 31 March 2026

In terms of the information and explanations sought by us and given by the Company and the books of account and record examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment ('PPE'), capital work-in-progress ('capital WIP'), investment property ('IP') and relevant details of right-of-use ('ROU') assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The PPE, capital WIP, IP and relevant details of ROU assets have been physically verified by the management during the year, and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification programme adopted by the Company is reasonable having regard to the size of the Company and the nature of its assets.

(c) The title deeds of all the immovable properties (including investment property) held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in Note 2A to the financial statements, are held in the name of the Company.

(d) The Company has adopted cost model for its PPE (including ROU assets) and intangible assets. Accordingly, reporting under clause 3(i)(d) of the Order is not applicable to the Company.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records. In respect of goods-in-transit, these have been confirmed from corresponding receipt and inventory inward records.

(b) As disclosed in Note 13 to the financial statements, the Company has been sanctioned a working capital limit in excess of ₹ 5 crores by banks on the basis of security of current assets. The quarterly returns/ statements, in respect of the working capital limits, have been filed by the Company with such banks and such returns/ statements are in agreement with the books of account of the Company for the respective periods, which were not subjected to an audit, except for instances mentioned in the table below. Further, the Company has not filed the quarterly return/ statement for the quarter ended 31 March 2026 with such banks, as required by the sanction letters since the details were not readily available with the Company and accordingly, we are unable to comment on discrepancies, if any, with the books of account of the Company for the aforementioned period.

Name of the bank	Working capital limit sanctioned (₹ in lakhs)	Nature of current assets offered as security	Quarter ended	Information disclosed as per return (₹ in lakhs)	Information as per books of account (₹ in lakhs)	Difference* (₹ in lakhs)
Multiple banks	14,879	Inventory	31 December 2025	3,922	3,996	74
Multiple banks	14,879	Inventory	30 September 2025	3,866	3,952	86
Multiple banks	14,879	Inventory	30 June 2025	3,963	4,049	86

*Differences are due to inventory reported in the quarterly return/statement does not include stationery stock held by the company as at quarter end.

(iii) The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.

(iv) The Company has not entered into any transaction covered under sections 185 and 186 of the Act. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's services. Accordingly, reporting under clause 3(vi) of the Order is not applicable.

(vii (a) In our opinion and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, cess, and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, we report that there are no statutory dues referred to in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	**Nature of dues**	**Gross amount (₹ in lakhs)**	**Amount paid under protest (₹ in lakhs)**	**Period to which the amount relates**	**Forum where dispute is pending**
The Income-tax Act, 1961	Income tax	2,636 *	-	FY 2007-08	High Court of Karnataka
		186 *	-	FY 2013-14	High Court of Karnataka
		14	-	FY 2015-16	CIT (Appeals)
		1,226	245	FY 2016-17	CIT (Appeals)
		146	29	FY 2017-18	CIT (Appeals)
		812	-	FY 2022-23	CIT (Appeals)
The Customs Act, 1962	Customs duty	1,569	-	FY 2007-08	High Court of Gujarat
The Finance Act, 1994	Service tax	243	-	2000-01 to 2001-02	CESTAT, Bengaluru
		379	-	July 2012 to March 2017	CESTAT, Bengaluru
		68	-	April 2016 to June 2017	Commissioner of Central Tax, Belgaum
Central Goods and Services Tax Act, 2017	GST	318	32	July 2017 to September 2021	Commissioner of Central Tax (Appeals), Belgaum
		90	4	July 2017 to March 2018	Additional/ Joint Commissioner of Central Tax (Appeals), Delhi
		9	-	2018-19	Superintendent of Central Tax, Guntur
		0**	-	2019-20	Additional Commissioner of Central Tax (Appeals)
		0**	-	2019-20	Superintendent of Central Tax, Guntur

*These are pronounced in the favour of the Company subsequent to 31 March 2026.

**Represents amount less than ₹ 50,000

(viii) According to the information and explanations given to us, we report that no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of account.

(ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted on repayment of its loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, and according to the information and explanations given to us, money raised by way of term loans was applied for the purposes for which this was obtained.

(d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on a short-term basis have, prima facie, not been utilised for long-term purposes.

(e) According to the information and explanations given to us, we report that the Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clauses 3(ix)(e) and 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partially or optionally convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the period covered by our audit.

(b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us, including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the financial statements, as required under, Indian Accounting Standard ('Ind AS') 24 "Related Party Disclosures" specified in Companies (Indian Accounting Standards) Rules, 2015 (as amended) as prescribed under section 133 of the Act.

(xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system which is commensurate with the size and nature of its business, as required under the provisions of section 138 of the Act.

(b) We have considered the reports issued by the internal auditors of the Company till date for the period under audit.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.

(d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

(xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information in the financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

(xx) According to the information and explanations given to us, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Bharat Shetty
Partner
Membership No.: 106815

UDIN: 26106815UYGOZP7378

Place: Hubballi
Date: 18 May 2026

To the Members of VRL Logistics Limited

This certificate is issued in accordance with the terms of our engagement letter dated 27 October 2025.

We have examined the compliance of conditions of corporate governance by **VRL Logistics Limited** (the 'Company') for the year ended 31 March 2026, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations'), as of 22 January 2026.

Management's Responsibility

The compliance of conditions of corporate governance is the responsibility of the management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations.

Auditor's Responsibility

Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'), and Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI, which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31 March 2026.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Bharat Shetty
Partner
Membership No.: 106815

UDIN: 26106815UYGOZP7378

Place: Hubballi
Date: 18 May 2026

Annexure II to the Independent Auditor's Report of even date to the members of VRL Logistics Limited on the financial statements for the year ended 31 March 2026

Independent Auditor's Report on the internal financial controls with reference to the financial statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 (the 'Act')

1. In conjunction with our audit of the financial statements of VRL Logistics Limited (the 'Company') as at and for the year ended 31 March 2026, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to the 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 ('IFC Guidance Note') issued by the Institute of Chartered Accountants of India (the '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 the Company's business, including adherence to the 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 for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. 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 Standards on Auditing issued by the ICAI prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the IFC Guidance Note issued by the ICAI. 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 adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. 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 includes obtaining an understanding of such internal financial controls, 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.

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

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls 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 controls with reference to financial statements include 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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

7. 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 controls 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.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2026, based on the internal financial controls with reference to the financial statements criteria established by the Company considering the essential components of internal control stated in the IFC Guidance Note issued by the ICAI.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Bharat Shetty
Partner
Membership No.: 106815

UDIN: 26106815UYGOZP7378

Place: Hubballi
Date: 18 May 2026

BALANCE SHEET AS AT 31 MARCH 2026

(Amount in ₹ lakhs, unless otherwise specified)

PARTICULARS	NOTES	As at 31 March 2026	As at 31 March 2025
Assets			
Non- current assets			
Property, plant and equipment	2A	170,679	155,424
Right-of-use assets	2A	59,672	68,727
Capital work-in-progress	2B	2,250	1,508
Investment property	3	81	83
Intangible assets	4	23	31
Financial assets			
Investments	5	6	6
Other financial assets	6	3,458	4,433
Income-tax assets (net)	19	1,027	2,830
Other non-current assets	7	2,928	948
		240,124	**233,990**
Current assets			
Inventories	8	4,375	4,290
Financial assets			
Trade receivables	9	8,558	9,287
Cash and cash equivalents	10	1,548	5,312
Bank balances other than cash and cash equivalents	11	14	11
Other financial assets	6	1,938	1,130
Other current assets	7	3,957	4,547
		20,390	**24,577**
Total assets		**260,514**	**258,567**
Equity and liabilities			
Equity			
Equity share capital	12	17,494	8,747
Other equity		96,750	99,708
		114,244	**108,455**
Liabilities			
Non- current liabilities			
Financial Liabilities			
Borrowings	13	33,414	36,723
Lease liabilities	32	54,582	60,369
Other financial liabilities	14	1,490	1,285
Provisions	15	7,086	4,690
Deferred tax liabilities (net)	16	8,306	7,777
		104,878	**110,844**
Current liabilities			
Financial liabilities			
Borrowings	13	12,155	8,222
Lease liabilities	32	15,262	17,494
Trade payables	17		
Total outstanding dues of micro enterprises and small enterprises; and		32	16
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,593	3,070
Other financial liabilities	14	5,792	5,213
Other current liabilities	18	2,346	2,009
Provisions	15	1,748	2,103
Income tax liabilities (net)	19	1,464	1,141
		41,392	**39,268**
Total equity and liabilities		**260,514**	**258,567**

The accompanying notes form an integral part of the financial statements

This is the balance sheet referred to in our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Bharat Shetty
Partner
Membership No.: 106815

Place : Hubballi
Date : 18 May 2026

For and on behalf of the Board of Directors

Vijay Sankeshwar
Chairman and
Managing Director
DIN: 00217714

Anand Sankeshwar
Managing Director
DIN: 00217773

Sunil Nalavadi
Chief Financial Officer

Aniruddha Phadnavis
General Manager (Finance)
and Company Secretary

Place : Hubballi
Date : 18 May 2026

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2026

(Amount in ₹ lakhs, unless otherwise specified)

PARTICULARS	NOTES	As at 31 March 2026	As at 31 March 2025
Income			
Revenue from operations	20	322,111	316,095
Other income	21	2,367	2,422
Total income		**324,478**	**318,517**
Expenses			
Freight, handling and servicing cost	22	192,248	199,814
Employee benefits expense	23	58,739	54,517
Finance costs	24	9,498	9,483
Depreciation and amortisation expense	25	26,103	25,363
Other expenses	26	6,102	4,345
Total expenses		**292,690**	**293,522**
Profit before tax		**31,788**	**24,995**
Tax expense/ (credit)	27		
Current tax		7,510	5,570
Deferred tax		658	1,073
Tax in respect of earlier years		(63)	60
Total tax expense		**8,105**	**6,703**
Profit for the year		**23,683**	**18,292**
Other Comprehensive Income ('OCI')			
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement of defined benefit plan - (loss)		(513)	(58)
Income tax relating to above item		129	15
OCI for the year, net of taxes - (loss)		**(384)**	**(43)**
Total Comprehensive Income ('TCI') for the year - gain		**23,299**	**18,249**
Earning per equity share (face value of ₹ 10 each)	28		
Basic (in ₹)		13.54	10.46
Diluted (in ₹)		13.54	10.46

The accompanying notes form an integral part of the financial statements

This is the statement of profit and loss referred to in our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Bharat Shetty
Partner
Membership No.: 106815

Place : Hubballi
Date : 18 May 2026

For and on behalf of the Board of Directors

Vijay Sankeshwar
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Sunil Nalavadi
Chief Financial Officer

Aniruddha Phadnavis
General Manager (Finance)
and Company Secretary

Place : Hubballi
Date : 18 May 2026

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2026

(Amount in ₹ lakhs, unless otherwise specified)

a Equity share capital (refer note 12)

Particulars	No of shares (in absolute)	Amount
As at 1 April 2024	**87,468,495**	**8,747**
Movement during the year	-	-
Balance as at 31 March 2025	**87,468,495**	**8,747**
Issue of bonus shares (refer note 12)	87,468,495	8,747
Balance as at 31 March 2026	**174,936,990**	**17,494**

b Other equity

	Reserves and Surplus					Total
	Securities premium	General reserve	Capital redemption reserve	Remeasurement of defined benefit plan (net of taxes)	Retained earnings	
Balance as at 1 April 2024	**3,694**	**15,338**	**378**	**1,708**	**64,714**	**85,832**
TCI for the year						
Profit for the year	-	-	-	-	18,292	18,292
OCI for the year	-	-	-	(43)	-	(43)
Transactions with owners in their capacity as owners						
Contributions and distributions						
Dividend (refer note 34B)	-	-	-	-	(4,373)	(4,373)
Transfer to general reserve	-	1,829	-	-	(1,829)	-
Balance as at 31 March 2025	**3,694**	**17,167**	**378**	**1,665**	**76,804**	**99,708**
TCI for the year						
Profit for the year	-	-	-	-	23,683	23,683
OCI for the year	-	-	-	(384)	-	(384)
Transactions with owners in their capacity as owners						
Contributions and distributions						
Dividend (refer note 34B)	-	-	-	-	(17,494)	(17,494)
Capitalization of reserves on issue of bonus shares (refer note 12)*	(3,694)	(4,691)	(378)	-	-	(8,763)
Transfer to general reserve	-	2,368	-	-	(2,368)	-
Balance as at 31 March 2026	**-**	**14,844**	**-**	**1,281**	**80,625**	**96,750**

*Includes adjustment of share issue expenses amounting to ₹16 lakhs.

Nature and purpose of reserves :

Securities premium

Amount received (on issue of shares) in excess of the par value has been classified as securities premium. The reserve is utilised in accordance with the provisions of the Act.

Capital redemption reserve

It represents a statutory reserve created out of profits available for distribution pursuant to the provisions of section 69 of the Act, on buy-back of equity shares by the Company. This reserve is not available for distribution of dividends and can be utilised only for issuing fully paid bonus shares, in accordance with the provisions of the Act.

General reserve

It represents amounts appropriated out of retained earnings for general corporate purposes. The reserve is available for distribution of dividends, subject to compliance with the provisions of the Act.

Retained earnings

Retained earnings comprises of current year and prior years undistributed earnings/ (loss) after taxes.

Remeasurement of defined benefit plan

Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in OCI and are adjusted to retained earnings.

The accompanying notes form an integral part of the financial statements

This is the statement of changes in equity referred to in our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Bharat Shetty
Partner
Membership No.: 106815

Place : Hubballi
Date : 18 May 2026

For and on behalf of the Board of Directors

Vijay Sankeshwar
Chairman and Managing Director
DIN: 00217714

Anand Sankeshwar
Managing Director
DIN: 00217773

Sunil Nalavadi
Chief Financial Officer

Aniruddha Phadnavis
General Manager (Finance)
and Company Secretary

Place : Hubballi
Date : 18 May 2026

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2026

(Amount in ₹ lakhs, unless otherwise specified)

PARTICULARS		NOTES	Year ended 31 March 2026	Year ended 31 March 2025
A	**Cash flows from operating activities**			
	Profit before tax		31,788	24,995
	Adjustments for non-cash items and items considered separately:			
	Depreciation and amortisation expense	25	26,103	25,363
	Finance costs	24	9,498	9,483
	Interest income on bank deposits	21	(152)	(6)
	Interest income on income tax refund	21	(117)	(5)
	Rental income from investment property	21	(59)	(56)
	Liabilities related to earlier years written back	21	-	(136)
	Dividend income	21	(1)	(1)
	Loss/ (profit) on disposal of PPE (net)	21	656	(797)
	Gain on lease modification	21	(725)	(308)
	Loss allowance (net)	26	1	62
	Unwinding of discount on security deposits	21	(253)	(317)
	Operating profit before working capital changes		**66,739**	**58,277**
	Changes in working capital:			
	Trade receivables	9, 26	729	(499)
	Financial and other assets	6,7,21	1,045	429
	Inventories	8	(84)	(171)
	Trade payables, other liabilities and provisions	14,15,24	2,293	2,343
	Cash generated from operating activities before tax		**70,722**	**60,379**
	Income taxes paid (net of refunds)	16,19, 21,27	(5,285)	(4,900)
	Net cash generated from operating activities (A)		**65,437**	**55,479**
B	**Cash flows from investing activities**			
	Purchase of property, plant and equipment and intangible assets (including adjustment of capital work-in-progress, capital creditors and capital advances)	2A,2B,3,4,7,14	(29,862)	(44,879)
	Proceeds from sale of property, plant and equipment	2A,21	369	1,863
	Investment in long term deposit with banks	6	(37,100)	(10)
	Liquidation of long term deposit with banks	6	37,030	-
	Investments in short term deposits with banks (net)	6	-	(2)
	Investment in equity shares	5	-	-
	Rentals received on investment property	3	59	56
	Interest received on bank deposits		152	5
	Dividend income received		1	1
	Income tax paid	16,19,21,27	(49)	(12)
	Net cash (used in) investing activities (B)		**(29,400)**	**(42,978)**
C	**Cash flows from financing activities**			
	Proceeds from/ (repayment of) short term borrowings (net)	13	2,834	(3,916)
	Proceeds from long term borrowings	13	9,844	26,894
	Repayment of long term borrowings	13	(12,054)	(6,195)
	Payment of lease liabilities (excluding interest)	32,24	(13,429)	(12,072)
	Payment of interest on lease liabilities	32,24	(6,220)	(6,420)
	Dividend paid (adjusted with unclaimed dividend)		(17,491)	(4,372)
	Payment of interest and other borrowing costs		(3,269)	(2,934)
	Share issue expenses incurred		(16)	-
	Net cash (used in) financing activities (C)		**(39,801)**	**(9,015)**
	Net (decrease)/ increase in cash and cash equivalents (A+B+C)		**(3,764)**	**3,486**
	Cash and cash equivalents at the beginning of the year	10	5,312	1,826
	Cash and cash equivalents at the end of the year	**10**	**1,548**	**5,312**
	Components of cash and cash equivalents (refer note 10)			
	Balances with banks			
	- on current accounts		1,122	4,893
	Cheques, drafts on hand		-	6
	Cash on hand		426	413
	Balance as per statement of cash flows		**1,548**	**5,312**

Notes:

1. The above statement of cash flows has been prepared under the 'indirect method' as set out in Ind AS 7 "Statement of Cash Flows" specified under section 133 of the Companies Act, 2013 (the 'Act').
2. Refer note 13 for movement of liabilities to cash flow arising from financing activities.

Non-cash investing activities

The Company acquired a land and building that was previously held under a lease arrangement. Pursuant to this acquisition, leasehold improvements, have been reclassified to “Building” without any additional consideration. Refer note 2A for further details.

Non-cash financing activities

The Company has issued the bonus shares by capitalizing the balances in capital redemption reserve, securities premium, and general reserve of the Company. Refer note12 for further details.

The accompanying notes form an integral part of the financial statements

This is the statement of cash flows referred to in our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Bharat Shetty
Partner
Membership No.: 106815

Place : Hubballi
Date : 18 May 2026

For and on behalf of the Board of Directors

Vijay Sankeshwar
Chairman and
Managing Director
DIN: 00217714

Anand Sankeshwar
Managing Director
DIN: 00217773

Sunil Nalavadi
Chief Financial Officer

Aniruddha Phadnavis
General Manager (Finance)
and Company Secretary

Place : Hubballi
Date : 18 May 2026

Notes to the Financial Statements for the year ended 31 March 2026

Note 1(a): Corporate information

VRL Logistics Limited ('VRL' or the 'Company') [CIN: L60210KA1983PLC005247] was incorporated in India under the erstwhile Companies Act, 1956 on 31 March 1983. The Company is engaged in logistics services, dealing mainly in domestic transportation of goods. The operations of the Company are spread all over the country through various branches and transshipment hubs.

The equity shares of the Company are listed on two stock exchanges in India, Bombay Stock Exchange ('BSE') and National Stock Exchange of India ('NSE'). The Company has its registered office at RS No. 351/1, Varur Post, Chabbi Taluk, Hubballi District, Dharwad, Hubballi, Karnataka.

Note 1(b): Basis of preparation and presentation

(i) General information and statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 (the 'Act') read with Companies (Indian Accounting Standards) Rules, 2015 (as amended) and relevant rules thereafter, including the presentation and disclosure requirements of Division II of Schedule III to the Act and the guidelines issued by the Securities and Exchange Board of India ('SEBI'), under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable. The accounting policies for the years ended 31 March 2026 and 31 March 2025 are consistent.

The revision to financial statements is permitted by Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per the provisions of the Act.

All amounts included in the financial statements are reported in Indian Rupees ('INR' or ₹) in lakhs, unless otherwise stated. Further, "0" denotes amounts less than ₹ 50,000.

(ii) Basis of measurement

The financial statements have been prepared on a historical cost convention and on an accrual and going concern basis, except for the following:

i. Financial assets and liabilities are measured at fair value or at amortised cost depending on classification (refer accounting policy on financial instruments);

ii. Defined benefit plans/ plan assets and other long-term employee benefits are measured at fair value; and

iii. Lease liability and therefore ROU assets are measured at fair value.

(iii) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (i.e., the "functional currency"). The financial statements are presented in INR, which is the functional and presentation currency of the Company.

(iv) Current and non-current classification

(i) An asset is considered as current when it is:

- a. Expected to be realised or intended to be sold or consumed in the normal operating cycle, or
- b. Held primarily for the purpose of trading, or
- c. Expected to be realised within twelve months after the reporting period, or
- d. Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

(ii) All other assets are classified as non-current.

(iii) Liability is considered as current when it is:

- a. Expected to be settled in the normal operating cycle, or
- b. Held primarily for the purpose of trading, or
- c. Due to be settled within twelve months after the reporting period, or
- d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

(iv) All other liabilities are classified as non-current.

(v) Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(vi) All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Schedule III to the Act. Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non current classification of assets and liabilities.

Note 1(c): Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures relating to contingent liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Judgements

(i) Leases

Ind AS 116 "Leases" requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company’s operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

Determination of the incremental borrowing rate requires judgement. Where the rate implicit in the lease is not readily available, an incremental borrowing rate is applied. This incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right-of-use asset in a similar economic environment.

(ii) Income tax and deferred tax

Judgements are involved in determining the provision for income taxes including judgement on whether tax positions are probable of being sustained in tax assessments. A tax assessment may involve complex issues, which can only be resolved over extended time periods. The recognition of taxes that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

In assessing the realisability of deferred tax assets, management considers whether some portion or all of the deferred tax assets will not be realised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax assets/liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realise the benefits of those deductible differences. The amount of the deferred income tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

(iii) Provisions and contingent liabilities

The Company exercises judgement in determining if a particular matter is possible, probable or remote. The

Company also exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, government regulation, as well as other contingent liabilities. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Estimates

(i) Useful lives of property, plant and equipment, and intangible assets

Property, plant and equipment, and intangibles assets represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation/amortisation is derived after determining an estimate of an asset’s expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life.

(ii) Defined benefit plan and other long-term benefits (compensated absence)

In accounting for post-retirement benefits, several statistical and other factors that attempt to anticipate future events are used to calculate plan expenses and liabilities. These factors include expected return on plan assets, discount rate assumptions and rate of future compensation increases. To estimate these factors, actuarial consultants also use estimates such as future salary increases, average future service, attrition and mortality rates which require judgement. The actuarial assumptions used by the Company may differ materially from actual results in future periods due to changing market and economic conditions, regulatory events, judicial rulings, higher or lower withdrawal rates, or longer or shorter participant life spans.

(iii) Impairment of non-financial assets

An impairment loss is recognised for the amount by which an asset’s or cash-generating unit’s ('CGU') carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each asset or CGU and determines a suitable interest rate in order to calculate the present value of those cash flows. The preparation of value-in-use calculations involves significant management judgement, particularly in estimating future cash flows expected to be derived from the relevant assets or CGU, determining appropriate terminal values, selecting discount rates that reflect current market assessments of the time value of money and the risks specific to the assets or CGU, and establishing long-term growth rates. The cash flow projections are based on management-approved budgets and business plans, past performance, and management’s expectations of future market developments, industry trends and macroeconomic conditions. Given the inherent uncertainty in forecasting future cash flows, changes in the underlying assumptions could result in a material impact on the recoverable amounts determined and, consequently, on the carrying values of the related assets.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment for market risk and the appropriate adjustment for asset-specific risk factors.

(iv) Loss allowance on financial assets

In accordance with Ind AS 109 "Financial Instruments", the Company applies Expected Credit Loss ('ECL') model for measurement and recognition of impairment loss on the trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 "Revenue from Contracts with Customers".

For this purpose, the Company follows ‘simplified approach’ for recognition of impairment loss allowance on the trade receivable balances. The application of simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables based on lifetime ECLs at each reporting date

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. The Company uses estimates and make assumptions based on the Company's history of collections, customer's credit-worthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

In case of other assets, the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to twelve months ECL is measured and recognised as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

(v) Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets and liabilities. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Estimates and judgements are continuously evaluated. These are based on historical experience and other factors including expectation of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Note 1(d): Summary of material accounting policy information

(i) Property, plant and equipment ('PPE')

PPE are stated at historical cost, less accumulated depreciation and impairment losses, if any. Historical costs include expenditure directly attributable to acquisition which are capitalised until the PPE are ready for use, as intended by management, including non refundable taxes. Any trade discount and rebates are deducted in arriving at the purchase price. In case of vehicles, insurance charges and permit fees paid for the initial period at the time of acquisition of commercial vehicles are capitalised as part of the cost of the vehicle. Insurance costs and other charges relating to periods subsequent to the year of acquisition are charged to the statement of profit and loss as incurred.

An item of PPE initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from disposals of assets are measured as the difference between the net disposal proceeds and the carrying value of the asset on the date of disposal and are recognised in the statement of profit and loss, in the period of disposal.

The cost of an item of PPE shall be recognised as an asset if, and only if:

(a) it is probable that future economic benefits associated with the item will flow to the Company; and (b) the cost of the item can be measured reliably.

Items such as spare parts are recognised as PPE when they meet the definition of PPE.

The Company depreciates PPE over their estimated useful lives using straight line method ('SLM') as follows (current and previous year):

Class of asset	Useful life
Buildings	
Factory buildings	30 years
Non-factory buildings	60 years
Plant and equipment	
Battery operated plant and machinery	5 years
Solar generator	8 years
Electrical installation and equipment	10 years
Road making equipment	12 years
Plant and machinery	15 years
Cranes	15 years
Water distribution plant	15 years
Furniture and fixtures	10 years
Office equipment	
Computers	3 years
Office equipment	5 years
Servers	6 years
Vehicles	
Battery powered vehicles	5 years
Motor buses/ cars other than those used in a business of running them on hire	8 years
Scooters and mopeds	10 years
Trucks	15 years
Leasehold improvements	Amortized over the lower of the lease term or useful life of the respective asset

In case of vehicles included in above table, the Company uses useful life different from those specified in Schedule II of the Act which is duly supported by technical evaluation of management. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. Freehold land has an unlimited useful life and therefore is not depreciated.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual values are reviewed at each reporting date, and if expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate and adjusted prospectively. Depreciation on addition to PPE or on disposal of PPE is calculated pro-rata from the month of such addition or up to the month of such disposal as the case may be. The residual value is considered at not more than 5% of the original cost for buildings and vehicles. For other classes of assets, the residual value is considered to be nil.

Capital work-in-progress ('CWIP') includes PPE under construction and not ready for intended use as on the balance sheet date. CWIP is not depreciated as these assets are not yet available for use. Advances paid towards the acquisition of PPE outstanding at each balance sheet date is classified as capital advances under 'Other non-current assets'.

(ii) Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and borrowing costs, wherever applicable. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. Investment properties are depreciated using the SLM method over their estimated useful lives. Investment property (non-factory building) generally have a useful life of 60 years, which is as per Schedule II to the Act.

(iii) Intangible Assets

Intangible assets acquired separately are initially recognised at cost of acquisition which includes purchase price including import duties and non-refundable taxes, if any and further includes directly attributable cost of preparing the asset for its intended use. Identifiable intangible assets are recognised when it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured. Computer software is amortised on a SLM basis over the estimated useful economic life which is expected as 5 years. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The amortisation of an intangible asset with a finite useful life reflects the manner in which the economic benefit is expected to be generated. The estimated useful life of amortisable intangibles are reviewed and where appropriate are adjusted, annually.

Intangible assets are de-recognised either on their disposal or where no future economic benefits are expected from their use. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset on the date of disposal and are recognised in the statement of profit and loss when the asset is derecognised.

Amortisation on addition to intangible assets or on disposal of intangible assets is calculated pro-rata from the month of such addition or up to the month of such disposal as the case may be.

Intangible assets under development ('IAUD') are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and impairment losses, if any. IAUD is not amortised as these assets are not yet available for use.

(iv) Impairment of non-financial assets

An impairment loss is recognised in the statement of profit and loss if the estimated recoverable amount of an asset or its CGU is lower than its carrying amount. Impairment losses recognised in respect of CGU are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

Impairment losses recognised (for assets other than goodwill) in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed its recoverable amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(v) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

The Company's lease asset class consists of leases for buildings for business use. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right of use ('ROU') asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease arrangements may include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability, adjusted for any lease payments made at or prior to the commencement date of the lease, plus any initial direct costs and estimated cost to dismantle and remove the underlying asset or restore the site on which it is located, less any lease incentives received. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

ROU assets are depreciated from the commencement date on a SLM basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment on whether it will exercise an extension or a termination option.

Lease liabilities and ROU assets have been separately presented in the balance sheet. Lease payments have been classified as financing cash flows.

Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease. For operating leases, rental income is recognised on a SLM basis over the term of the relevant lease.

For operating leases, rental income is recognised on a SLM basis over the term of the relevant lease. Contingent rents are recognised as revenue in the period in which they are earned.

(vi) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a. Initial recognition and measurement

The Company recognises financial assets and liabilities when it becomes a party to the contractual provisions of the instrument. Financial assets (except trade receivables) and financial liabilities are recognised at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular purchase and sale of financial assets are recognised on the trade date.

Further, trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Company's trade receivables do not contain any significant financing component and hence are measured at the transaction price in accordance with Ind AS 115 "Revenue from Contracts with Customers".

b. Subsequent measurement

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

- The Company's business model for managing the financial asset; and

- The contractual cash flow characteristics of the financial asset.

Non derivative financial instruments

(a) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Financial assets at fair value through other comprehensive income ('FVOCI')

A financial asset is subsequently measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(c) Financial assets at fair value through profit or loss ('FVTPL')

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(d) Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(e) Debt instruments at amortised cost

A 'debt instrument' is subsequently measured at the amortised cost using the Effective Intrest Rate ('EIR') method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in 'Other income' in the profit or loss. The losses arising from impairment are recognised in the statement of profit and loss.

(f) Equity instruments

All equity instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in FVOCI. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, including foreign exchange gain or loss and excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

(g) Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost in subsequent accounting periods. After initial recognition, such financial liabilities are subsequently measured at amortised cost using the EIR method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item in the statement of profit and loss. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

c. De-recognition of financial instruments

A financial asset is primarily derecognised (i.e., removed from the Company's balance sheet) when:

- The contractual rights to receive cash flows from the asset have expired, or

- The Company has transferred its rights to receive contractual cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement, and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in OCI and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

d. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

e. Impairment of financial assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 "Financial Instruments" requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all trade receivables that do not have a financing component. In determining the loss allowances for trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward-looking information. The expected loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected loss allowance are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the lifetime credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment, that includes forward looking information.

The Company calculates impairment allowance under the simplified approach for trade receivables and does not perform individual assessment of credit risk of trade receivables.

(vii) Income tax

Tax expense for the year comprises of current tax and deferred tax. Current tax is measured by the amount of income tax expected to be paid to the taxation authorities on the taxable profits after considering tax allowances, exemptions adjustments to tax payable in respect of previous years, and using applicable tax rates and laws. Deferred tax is recognised on temporary differences between the accounting base and the tax base for the year and quantified using the tax rates and income tax laws enacted or substantively enacted as on the balance sheet date. Current and deferred taxes are recognised in the profit or loss, except when they relate to items that are recognised in OCI or directly in equity, in which case, the current and deferred tax are also recognised in OCI or directly in equity.

There are certain transactions and calculations for which the ultimate tax determination is uncertain. The Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. The uncertain tax positions are measured at the amount expected to be paid to taxation authorities when the Company determines that the probable outflow of economic resources will occur. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Deferred tax is recognised using the balance sheet approach. Deferred tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred tax asset is recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property is presumed to be recovered through sale.

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

Accruals for uncertain tax positions require management to make judgements of potential exposures. Accruals for uncertain tax positions are measured using either the most likely amount or the expected value amount depending on which method the entity expects to better predict the resolution of the uncertainty. Tax benefits are not recognised unless the tax positions will probably be accepted by the tax authorities. This is based upon management’s interpretation of applicable laws and regulations and the expectation of how the tax authority will resolve the matter. Once considered probable of not being accepted, management reviews each material tax benefit and reflects the effect of the uncertainty in determining the related taxable amounts.

(viii) Inventories

Inventories primarily consists of stores and spares and are measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make the sale.

Cost of inventories is determined on 'First-in-First-out'.

Cost includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Stores and spares are inventories that do not qualify to be recognised as PPE and consists of consumables, spares (such as machinery spare parts), which are used in operating machines or consumed as indirect materials in the process.

(ix) Borrowings

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit and loss over the period of the borrowings using the effective interest method.

Borrowing costs majorly includes interest and amortisation of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur. The Company ceases capitalising borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

(x) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are measured at the best estimate of the amount required to settle the present obligation at the balance sheet date. If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Where the Company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset, only when such reimbursement is virtually certain.

A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from the past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Provisions are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation.

Contingent asset is not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

(xi) Employee benefits

(a) Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and are measured on undiscounted basis. Benefits such as salaries, wages, and performance incentive etc. are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(b) Other long-term employee benefits

The Company's net obligation in respect of other long-term employee benefits, i.e., compensated absence is the amount of future benefit that employees have earned in return for their service in the current and previous years. That benefit is discounted to determine its present value. Liability for such benefits is provided on the basis of actuarial valuations, as at the balance sheet date, carried out by an independent actuary using the projected unit credit method. Actuarial gains and loss are recognised in the statement of profit and loss during the period in which they arise. The Company has unconditional right to defer the settlement beyond 12 months from reporting date in the case of provisions, disclosed as non-current.

(c) Gratuity - Defined benefit plan

Liability for post-retirement benefit plan such as gratuity for eligible employees of the Company in India are calculated using projected unit credit method on the basis of actuarial valuation carried out by an independent actuary as at the reporting date. The Company established the VRL Employees Group Gratuity Trust to fund the gratuity plan. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable), and the return on plan assets (excluding net interest), is recognised in OCI in the period in which they occur. Re-measurement recognised in OCI is presented separately in 'Other equity' and will not be reclassified to profit or loss.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in 'Employee benefits expense' in the statement of profit and loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit and loss as past service cost.

(d) Defined contribution plans

The Company has defined contribution plan for post employment benefits in the form of provident fund, employees' state insurance and labour welfare fund. Under the defined contribution plan, the Company has no further obligation beyond making the contributions. Such contributions are charged to the statement of profit and loss as incurred.

(e) Termination benefits

Termination benefits are recognised in the statement of profit and loss at the earlier of the following dates:

- when the Company can no longer withdraw the offer of those benefits; or
- when the Company recognises costs for a restructuring that is within the scope of Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets" and involves the payment of termination benefits.

Benefits falling due more than 12 months after the end of the reporting date are discounted to their present value in the balance sheet.

(xii) Income recognition

Revenue recognition

When a performance obligation is satisfied, the Company recognises as revenue the amount of the transaction price (net of estimated variable consideration) that is allocated to that performance obligation. Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Ind AS 115 "Revenue from Contract's with Customers" specifies five step model for revenue recognition:

1. Identify the contract with a customer;
2. Identify the separate performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the separate performance obligations; and
5. Recognize revenue when (or as) each performance obligation is satisfied.

The Company accounts for a contract when it has approval and commitment from all parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable.

Revenue is recognised in the statement of profit and loss with the contracted price showing separately each of the adjustments made to the contract price and specifying the nature and amount of each such adjustment separately.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Company's performance does not create an asset with an alternative use to the Company and an entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue is measured based on the transaction price (which is the consideration, adjusted for discounts and returns, etc., if any) that is allocated to that performance obligation. The adjustments are generally accounted for as variable consideration estimated in the same period the related sales occur.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

Revenue from goods transport services and courier services

Revenue from goods transport services and courier services is recognised at a point in time, when control of the goods is transferred to the customer. Control is considered to be transferred when the goods are delivered to the customer, as per the agreed contractual terms, at which the company obtains a present right to recive consideration for the services rendered.

Other operating income (sale of scrap)

Revenue from sale of scrap is recognised at the point in time when control of the goods is transferred to the customer in accordance with the terms of the contract.

Significant financing component

The Company considers all relevant facts and circumstances in assessing whether a contract contains a financing component and whether that financing component is significant to the contract, including both the conditions:

(a) the difference, if any, between the amount of promised consideration and the cash selling price of the promised goods or services; and

(b) the combined effect of both the following conditions:

- the expected length of time between when the entity transfers the promised goods or services to the customer and when the customer pays for those goods or services; and
- the prevailing interest rates in the relevant market.

Trade receivables and contract liabilities

Trade Receivable, net is primarily comprised of billed receivables for which the Company has an unconditional right to consideration, net of loss allowance.

Contract liabilities consist of revenue received in advance. The difference between opening and closing balance of the contract liabilities results from the timing differences between the performance obligation and customer payment.

(xiii) Other income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognised when the right to receive payment has been established, provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Other income is recognised when it is probable that the economic benefits will flow to the Company and amount of income can be measured reliably.

(xiv) Recent accounting pronouncements

Ministry of Corporate Affairs ('MCA') has notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2025:

~ Lack of exchangeability - Amendments to Ind AS 21

~ Classification of liabilities as current or non-current and non-current liabilities with covenants - Amendments to Ind AS 1

~ Supplier Finance Arrangements - Amendment to Ind AS 7 and Ind AS 107

~ International Tax Reforms - Pillar Two Model Rules - Amendment to Ind AS 12

The Company has reviewed the new pronouncements and based on its evaluation has determined that it is not likely to have any material impact in its financial statements.

New standards and amendments issued but not effective – MCA has issued Ind AS 118 "Presentation and Disclosure in Financial Statements" ('Ind AS 118'), which will replace Ind AS 1 "Presentation of Financial Statements" and is effective for annual reporting periods beginning on or after 1 April 2027. Ind AS 118 introduces revised presentation requirements in the statement of profit and loss and enhanced disclosure requirements. The standard is expected to impact presentation and disclosures but not the recognition and measurement. The Company is currently evaluating the impact of this standard on the accompanying financial statements.

Notes to the Financial Statements for the year ended 31 March 2026

(Amount in ₹ lakhs, unless otherwise specified)

2A Property, Plant and Equipment ('PPE')

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles	Leasehold improvements	Total	ROU asset Buildings
Gross carrying amount									
Balance as at 1 April 2024	**14,716**	**13,631**	**8,887**	**1,991**	**6,466**	**122,943**	**1,890**	**170,524**	**101,126**
Additions	24,290	5,491	1,237	435	2,102	12,349	190	46,094	18,878
Reclassification (refer note 4 below)	-	1,004	-	-	-	-	(1,004)	-	-
Disposals	(33)	(556)	-	-	-	(4,145)	-	(4,734)	(6,879)
Balance as at 31 March 2025	**38,973**	**19,570**	**10,124**	**2,426**	**8,568**	**131,147**	**1,076**	**211,884**	**113,125**
Additions	12,910	1,615	868	271	1,277	10,037	204	27,182	13,517
Disposals	-	-	(8)	-	-	(6,753)	-	(6,761)	(9,907)
Balance as at 31 March 2026	**51,883**	**21,185**	**10,984**	**2,697**	**9,845**	**134,431**	**1,280**	**232,305**	**116,735**
Accumulated depreciation and amortisation									
Balance as at 1 April 2024	**-**	**3,533**	**3,460**	**777**	**4,019**	**37,945**	**967**	**50,701**	**31,016**
Charge for the year	-	501	708	189	1,007	6,829	194	9,428	15,922
Reclassification (refer note 4 below)	-	674	-	-	-	-	(674)	-	-
Disposals	-	(234)	-	-	-	(3,435)	-	(3,669)	(2,540)
Balance as at 31 March 2025	**-**	**4,474**	**4,168**	**966**	**5,026**	**41,339**	**487**	**56,460**	**44,398**
Charge for the year	-	735	934	271	1,611	7,228	124	10,903	15,190
Disposals	-	-	(2)	-	-	(5,735)	-	(5,737)	(2,525)
Balance as at 31 March 2026	**-**	**5,209**	**5,100**	**1,237**	**6,637**	**42,832**	**611**	**61,626**	**57,063**
Net carrying amount									
Balance as at 31 March 2025	38,973	15,096	5,956	1,460	3,542	89,808	589	155,424	68,727
Balance as at 31 March 2026	51,883	15,976	5,884	1,460	3,208	91,599	669	170,679	59,672

Notes:

1)Refer note 13 for information on assets provided as collateral or security for borrowings or financing facilities availed by the Company.

2)Refer note 32 for disclosure on leased assets and related lease liabilities.

3) For capital commitments, refer note 30.

4)During the year ended 31 March 2025, the Company acquired land and building that was previously held under a lease arrangement. Pursuant to this acquisition, leasehold improvements, have been reclassified to “Building” in accordance with the requirements of Ind AS 16 "Property, Plant and Equipment", to appropriately reflect the change in ownership and the underlying nature of the asset.

5)The Company is not holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder as at 31 March 2026 and 31 March 2025. Further, no proceedings have been initiated or pending against the Company for holding any benami property under the said act and rules mentioned above for the years ended 31 March 2026 and 31 March 2025.

6)The title deeds of the immovable properties are held in the name of the Company.

7)The Company has not revalued its PPE and ROU assets during the current and previous year.

(Amount in ₹ lakhs, unless otherwise specified)

2B Capital work-in-progress

Particulars	As at 31 March 2026	As at 31 March 2025
Balance as at the beginning of the year	1,508	2,356
Additions	27,924	45,246
Capitalized	(27,182)	(46,094)
Balance as at the end of the year	**2,250**	**1,508**

CWIP ageing schedule

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2026					
Projects in progress	2,247	3	-	-	2,250
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2025					
Projects in progress	**1,508**	-	-	-	**1,508**
Projects temporarily suspended	-	-	-	-	-

CWIP represents vehicles and buildings under construction

Notes:

1) As at 31 March 2026 and 31 March 2025, there was no project, the completion of which was overdue or exceeded cost compared to original plan.
2) For capital commitments, refer note 30.
3) Refer note 13 for information on assets provided as collateral or security for borrowings or financing facilities availed by the Company.

(Amount in ₹ lakhs, unless otherwise specified)

3 Investment property

Particulars	Amount
Gross carrying amount	
Balance as at 1 April 2024	**103**
Additions	-
Disposals	-
Balance as at 31 March 2025	**103**
Additions	-
Disposals	-
Balance as at 31 March 2026	**103**
Accumulated depreciation	
Balance as at 1 April 2024	**18**
Charge for the year	2
Disposals	-
Balance as at 31 March 2025	**20**
Charge for the year	2
Disposals	-
Balance as at 31 March 2026	**22**
Net carrying amount	
Balance as at 31 March 2025	83
Balance as at 31 March 2026	81
Fair value	
As at 31 March 2025	364
As at 31 March 2026	357

Amount recognised in profit or loss

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Rental income from investment property (refer note 21)	59	56
Direct operating expenses (including repairs and maintenance) on income generating property	-	-

Premises given on operating lease

The Company has given a part of its Varur building on lease to VRL Media Private Limited. This arrangement is classified as operating leases from a lessor perspective because all the risks and rewards incidental to the ownership of the assets are not transferred substantially to the lessee. The cancellable lease arrangement range for a period of 9 years starting from financial year ended 2022 with an escalation of 5% after every 3 years. The lease will be terminated on completion of the term.

Valuation process

"The fair value of investment property was determined by an accredited external independent property valuer using the best evidence of fair value in an active market for similar properties. The said property valuer is a registered valuer as defined under Rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017.

The fair value measurement has been categorised as level 3 fair value based on the inputs to the valuation technique used.

The Company has no restrictions on the realisability of its investment property. The contractual obligation related to repair, maintenance and enhancement is with the Company.

Maturity analysis of lease payment receivable at the balance sheet date on an undiscounted basis:

Particulars	31 March 2026	31 March 2025
Less than 1 year	59	59
1-5 years	187	246
More than 5 years	-	-

The Company has not earned gain or incurred loss from sale and lease back transaction.

There are no significant restrictions or covenants imposed on leases.

Notes to the Financial Statements for the year ended 31 March 2026
(Amount in ₹ lakhs, unless otherwise specified)

4 Intangible assets ('IA')

Particulars	Computer software
Gross carrying amount	
Balance as at 1 April 2024	**368**
Additions	7
Disposal	-
Balance as at 31 March 2025	**375**
Additions	-
Disposal	-
Balance as at 31 March 2026	**375**
Accumulated amortisation	
Balance as at 1 April 2024	335
Charge for the year	9
Disposal	-
Balance as at 31 March 2025	**344**
Charge for the year	8
Disposal	-
Balance as at 31 March 2026	**352**
Net carrying amount	
Balance as at 31 March 2025	31
Balance as at 31 March 2026	23

Notes:

1) For capital commitments, refer note 30.

2) The Company has not revalued its IA during the current and previous year.

5 **Investments**

Particulars	As at 31 March 2026	As at 31 March 2025
Equity Instruments		
Unquoted, fully paid-up		
Mandatorily at FVTPL		
The Shamrao Vithal Co-operative Bank Limited [20,000 equity shares (31 March 2025: 20,000 equity shares)]	5	5
The Saraswat Co-operative Bank Limited [5,000 equity shares (31 March 2025: 5,000 equity shares)]	1	1
	6	6
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate value of unquoted investments	6	6
Aggregate amount of impairment in the value of investments	-	-

Refer note 13 for information on assets provided as collateral or security for borrowings or financing facilities availed by the Company.

Refer note 33 for information on credit risk.

6 **Other financial assets**

Particulars	As at 31 March 2026		As at 31 March 2025	
	Non current	Current	Non current	Current
Unsecured, considered good (unless otherwise specified)				
Leased premises security deposits	3,164	1,681	4,083	1,095
Less: loss allowance	-	(49)	-	(81)
Other deposits^	259	-	259	-
Receivables from related parties (rental income)	-	32	-	34
Other receivables^^	-	180	-	82
Margin money deposits with maturity of more than 12 months*	35	-	91	-
Margin money deposits having remaining maturity less than twelve months*	-	24	-	-
Bank deposits having remaining maturity less than twelve months **	-	70	-	-
	3,458	**1,938**	**4,433**	**1,130**

^Primarily includes deposits given towards legal disputes, tender deposits, electricity deposits, telephone deposits, deposits with diesel vendors and LIC

^^Primarily includes cash collected by agency and rent receivable from rented premises

* Lien against bank guarantees amounting to ₹57 lakhs (31 March 2025: ₹91 lakhs).

** Deposits amounting to ₹32 lakhs (31 March 2025: Nil) pledged against overdraft facility

Notes:

1) Refer note 33 for information on credit risk.

2) Refer note 13 for information on assets provided as collateral or security for borrowings or financing facilities availed by the Company

3) There are no repatriation restrictions with regard to margin money deposits, as at the end of the reporting year and previous year.

4) Loans or advances to specified person

The Company has not granted any loan or advance in the nature of loan, during the current and previous year, to promoters, directors, KMPs or other related parties, either severally or jointly with any other person, that is repayable on demand or without specifying any terms or period of repayment. Also, no such loan or advance in nature of loan is outstanding as at 31 March 2026 and 31 March 2025.

5) The Company has not given any loan or advance in the nature of loan to any entity during the year ended 31 March 2026 and 31 March 2025. Therefore, disclosure under Regulation 53(1)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable.

7 Other assets

Particulars	As at 31 March 2026		As at 31 March 2025	
	Non current	Current	Non current	Current
Capital advances	2,846	-	901	-
Less : loss allowance	-	-	(25)	-
Advances other than capital advances				
Advance to suppliers	12	344	12	593
Advance to related party	-	-	-	-
Other advances*	-	622	-	1,455
Less : loss allowance	(12)	(24)	(12)	(24)
Diesel deposit	-	550	-	-
Prepaid expenses	46	2,418	36	2,512
Balance with government authorities	36	-	36	-
Excess CSR spends carried forward (refer note 31)	-	47	-	11
	2,928	**3,957**	**948**	**4,547**
Dues from directors or other officers of the Company	-	-	-	-
Dues from firms or private companies in which director is a partner or a director or a member	-	-	-	-

*Primarily includes trip advance with drivers, fastag balance, insurance asset, employee advance, and recoveries receivable from employees

Note:
Refer note 13 for information on assets provided as collateral or security for borrowings or financing facilities availed by the Company.

8 Inventories

Particulars	As at 31 March 2026	As at 31 March 2025
Raw materials	3	2
Certified emission reduction credits *	9	9
Stores and spares (including in-transit of ₹ 195 lakhs, 31 March 2025: ₹ 437 lakhs)	4,363	4,279
	4,375	**4,290**
Write down of inventories to net realisable value	-	-
Reversal of write down of inventories	-	-

* In earlier years, the Company generated and recognised income from carbon credits arising from its wind power project. These carbon credits were duly certified by the UNFCCC under the Clean Development Mechanism. As at 31 March 2026, the Company holds 74,047 certified carbon credit units relating to the period 2013–2018. These units remain unsold as at year-end.

Refer note 13 for information on assets provided as collateral or security for borrowings or financing facilities availed by the Company.

(Amount in ₹ lakhs, unless otherwise specified)

9 **Trade receivables**

Particulars	As at 31 March 2026	As at 31 March 2025
Unsecured, considered good		
Others	8,591	9,225
Receivables from related parties (refer note 35)	20	66
Credit impaired	202	220
Less : loss allowance	(255)	(224)
	8,558	**9,287**
Dues from directors or other officers of the Company (Gross)	-	-
Dues from firms or private companies in which director is a partner or a director or a member (Gross)	20	65

Notes:

1) Refer note 33 for information on credit risk.
2) Refer note 13 for information on assets provided as collateral or security for borrowings or financing facilities availed by the Company.
3) Trade receivables are non-interest bearing and are generally settled in 30 to 90 days.

Ageing for gross trade receivables

As at 31 March 2026

Particulars	Outstanding for following periods from date of transaction						Total
	Unbilled	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables - considered good	-	8,559	42	8	-	2	8,611
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	202	-	-	-	-	202
	-	**8,761**	**42**	**8**	**-**	**2**	**8,813**
Less: loss allowance							(255)
Trade receivables (net)							**8,558**

(Amount in ₹ lakhs, unless otherwise specified)

As at 31 March 2025

Particulars	Outstanding for following periods from date of transaction						Total
	Unbilled	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables - considered good	-	9,139	94	56	-	2	9,291
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	220	-	-	-	-	220
	-	**9,359**	**94**	**56**	**-**	**2**	**9,511**
Less: loss allowance							(224)
Trade receivables (net)							**9,287**

10 Cash and cash equivalents

Particulars	**As at 31 March 2026**	**As at 31 March 2025**
Balances with banks		
- on current accounts	1,122	4,893
Cheques, drafts on hand	-	6
Cash on hand	426	413
	1,548	**5,312**

Notes:

1) There are no repatriation restrictions as at the end of the reporting year and previous year.
2) Refer note 33 for information on credit risk.
3) There are no cash and cash equivalents which will not be available for use by the Company.
4) Refer note 13 for information on assets provided as collateral or security for borrowings or financing facilities availed by the Company.

11 Bank balances other than cash and cash equivalents

Particulars	**As at 31 March 2026**	**As at 31 March 2025**
Earmarked unpaid dividend accounts	14	11
	14	11

Notes to the Financial Statements for the year ended 31 March 2026

(Amount in ₹ lakhs, unless otherwise specified)

12 Equity share capital

Particulars	As at 31 March 2026		As at 31 March 2025	
	No. of shares (in absolute)	Amount	No. of shares (in absolute)	Amount
Authorised				
Equity shares of ₹ 10 each	237,000,000	23,700	125,000,000	12,500
0.001% compulsorily convertible participatory preference shares of ₹ 100 each*	-	-	11,200,000	11,200
	237,000,000	23,700	136,200,000	23,700
Issued, subscribed and fully paid-up				
Equity shares of ₹ 10 each*	174,936,990	17,494	87,468,495	8,747
	174,936,990	**17,494**	**87,468,495**	**8,747**

*The Board of Directors, in their meeting held on 4 July 2025, approved the issuance of bonus equity shares in the ratio of 1:1 by capitalizing a sum not exceeding ₹ 8,746.85 lakhs from the Company's eligible reserves, which is subsequently approved by the shareholders in the annual general meeting held on 6 August 2025. Accordingly, bonus equity shares are allotted to the eligible shareholders on 18 August 2025 by capitalizing the balances in capital redemption reserve, securities premium, and general reserve of the Company. The paid-up equity share capital of the Company has increased from 87,468,495 shares of ₹ 10 each to 174,936,990 shares of ₹ 10 each.

In order to facilitate the aforesaid issue of bonus shares, the authorised share capital of the Company, which earlier comprised of 125,000,000 equity shares of ₹ 10 each, aggregating to ₹ 12,500 lakhs and 0.001% compulsorily and mandatorily convertible participatory preference shares of ₹ 100 each, aggregating to ₹ 11,200 lakhs, was reclassified to 237,000,000 equity shares of ₹10 each, aggregating to ₹ 23,700 lakhs. This reclassification is also approved by Board of Directors and shareholders of the Company in their respective meetings held on 4 July 2025 and 6 August 2025, respectively.

The issue of aforesaid bonus equity shares complies with all applicable laws.

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

Particulars	As at 31 March 2026		As at 31 March 2025	
	No. of shares (in absolute)	Amount	No. of shares (in absolute)	Amount
Equity shares				
Balance as at the beginning of the year	87,468,495	8,747	87,468,495	8,747
Add: issue of bonus shares*	87,468,495	8,747	-	-
Balance as at the end of the year	**174,936,990**	**17,494**	**87,468,495**	**8,747**

b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per equity share. The Company declares and pays dividends in ₹. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except for interim dividend which is approved by the Board.

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

c) **Details of shareholders holding more than 5% equity share capital in the Company**

Particulars	As at 31 March 2026		As at 31 March 2025	
	No. of shares (in absolute)	% holding in the class	No. of shares (in absolute)	% holding in the class
Dr. Vijay Sankeshwar	49,561,128	28.33%	24,780,564	28.33%
Dr. Anand Sankeshwar	54,981,642	31.43%	27,490,821	31.43%
HDFC Mutual Fund - HDFC Dividend Yield Fund	17,082,852	9.77%	-	0.00%
HDFC Small Cap Fund	-	0.00%	8,452,804	9.66%

As per records of the Company including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above share holding represents both legal and beneficial ownership of shares.

d) **Shareholding of promoters**

Promoter name	As at 31 March 2026			As at 31 March 2025		
	No. of shares (in absolute)	% holding in the class	% change during the year	No. of shares (in absolute)	% holding in the class	% change during the year
Dr. Vijay Sankeshwar	49,561,128	28.33%	0.00%	24,780,564	28.33%	0.00%
Dr. Anand Sankeshwar	54,981,642	31.43%	0.00%	27,490,821	31.43%	0.00%
Mrs. Vani Sankeshwar	792,978	0.45%	0.00%	396,489	0.45%	0.00%
Mrs. Lalita Sankeshwar	41,634	0.02%	0.00%	20,817	0.02%	0.00%
Mrs. Bharati	3,500	0.00%	0.00%	1,750	0.00%	0.00%
Mrs. Deepa	1,060	0.00%	0.00%	530	0.00%	0.00%

Promoter name	As at 1 April 2024	
	No. of shares (in absolute)	% holding in the class
Dr. Vijay Sankeshwar	24,780,564	28.33%
Dr. Anand Sankeshwar	27,490,821	31.43%
Mrs. Vani Sankeshwar	396,489	0.45%
Mrs. Lalita Sankeshwar	20,817	0.02%
Mrs. Bharati	1,750	0.00%
Mrs. Deepa	-	0.00%

e) There are no equity shares reserved for issue under options and contracts/ commitments for the sale of shares.

f) For the period of five years immediately preceding the date of the balance sheet:

i) The Company has not allotted any shares as fully paid up pursuant to contracts without payment being received in cash.

ii) The Company had bought back 28.75 lakh equity shares. Of these 20.00 lakh equity shares were bought back during the year ended 31 March 2021 and 8.75 lakh equity shares during the year ended 31 March 2024.

iii) Other than bonus issue of equity shares in the current year, no bonus shares were issued during five years immediately preceding 31 March 2026.

g) As the Company does not have a holding company or ultimate holding company as at 31 March 2026 and 31 March 2025, the disclosure of shares held by holding company or ultimate holding company or its subsidiary/ associate is not applicable.

(Amount in ₹ lakhs, unless otherwise specified)

13 Borrowings

Particulars	As at 31 March 2026		As at 31 March 2025	
	Non- current	Current	Non- current	Current
Secured				
Term loan from banks (refer notes A(i) and A(ii) below)*	18,584	2,494	21,077	843
Vehicle loan from banks (refer notes A(iii) and A(iv) below)*	14,830	6,827	15,646	7,379
Loans repayable on demand				
Working capital demand loan from bank (refer note A(v) below)	-	284	-	-
Cash credit facility from banks (refer note A(vi) below)	-	2,493	-	-
Overdraft facility from banks (refer note A(vii) below)	-	57	-	-
	33,414	**12,155**	**36,723**	**8,222**

*Current portion represents current maturity of long term borrowings

Notes:

a) Refer note 33 for information on interest risk and liquidity risk.
b) The Company has used the borrowing for the specific purpose for which it was availed.
c) There is no default in repayment of borrowings and payment of interest thereon during the year ended 31 March 2026 and 31 March 2025.
d) The Company has not been declared wilful defaulter by any bank or financial institution or any other lender for the years ended 31 March 2026 and 31 March 2025.

(A) Nature of securities and terms of repayment for borrowings:

	Nature of security	Terms of repayment
i.	Term loan - HDFC Bank Limited Balance outstanding amounting to ₹18,102 lakhs (31 March 2025 : ₹18,633 lakhs) is secured by first charge by way of mortgage of land and building situated at Dabaspet, Bengaluru	Repayable in total 108 equal monthly instalments (EMI) of ₹171 lakhs, with 105 EMI from the end of the reporting period ended 31 March 2026, having interest rate at Repo + Spread with effective ROI of 7.60% p.a. (31 March 2025: 8.60% p.a.)
ii.	Term loan - Axis Bank Limited Balance outstanding amounting to ₹3,110 lakhs (31 March 2025 : ₹3,420 lakhs) is secured by first charge by way of mortgage of land and building situated at Bangrakulur, Mangaluru	Repayable in total 108 EMI of ₹36 lakhs and terminal EMI of ₹23 lakhs, with 84 EMI from the end of the reporting period ended 31 March 2026, having interest rate at Repo + 2.10% with effective ROI of 7.35% p.a. (31 March 2025: 7.60% p.a.)
iii.	Vehicle loans (Floating rate) - Bank of Baroda Principal balance outstanding amounting to ₹9,907 lakhs (31 March 2025 : ₹13,370 lakhs) is secured by first charge by way of hypothecation of certain vehicles.	Repayable in 6 to 40 EMI from the end of the reporting period ended 31 March 2026, with EMI ranging between ₹0.18 lakhs to ₹29 lakhs and having interest rate at Overnight MCLR, with effective ROI ranging from 7.90% p.a. to 8.15% p.a. (31 March 2025 - 7.90% p.a. to 8.15% p.a.)
iv.	Vehicle loans (Fixed rate) - Various banks Principal balance outstanding amounting to ₹11,616 lakhs (31 March 2025 : ₹9,522 lakhs) is secured by first charge by way of hypothecation of certain vehicles. These loans are availed from Axis Bank Limited, The Federal Bank Limited, HDFC Bank Limited, Kotak Mahindra Bank Limited, and Saraswat Co-operative Bank Limited.	Repayable in 1 to 50 EMI from the end of the reporting period ended 31 March 2026, with EMI ranging between ₹0.09 lakhs to ₹35 lakhs and having interest rate ranging from 6.40% p.a. to 8.65% p.a. (31 March 2025 - 6.40% p.a. to 8.65% p.a.)
v.	Working capital demand loan - ICICI Bank Limited First charge by way of equitable mortgage on land and building situated at Bangrakulur, Mangalore As at 31 March 2025, the balance was classified under 'cash and cash equivalents'	Loan repayable at demand with interest at 6 Month MCLR, effective ROI of 8.30% p.a. (31 March 2025: 9.25% p.a.)
vi.	Cash credit facility - SVC Co-operative Bank Limited First charge by way of hypothecation of stocks and book debts along with collateral security on building situated at Kalaburagi (Gulbarga), Davangere and Gadag. As at 31 March 2025, the balance was classified under 'cash and cash equivalents	Loan repayable at demand with interest at PLR - 5.10%, effective ROI of 8.80% p.a. (31 March 2025: 9.50% p.a.).
vii.	Overdraft facility - Various banks Secured by way of lien on deposits held with the banks along with collateral security on building situated at Dharwad. These facilities are availed from Axis Bank Limited, Bank of Baroda, HDFC Bank Limited, ICICI Bank Limited and State Bank of India. As at 31 March 2025, the balance was classified under 'cash and cash equivalents'	Loan repayable at demand with varied interest terms related to Repo and MCLR, effective ROI ranging from 7.35% p.a. to 10.20% p.a. (31 March 2025: 6.10% p.a. to 11.45% p.a.)

(Amount in ₹ lakhs, unless otherwise specified)

(B) Assets pledged as security

The carrying amount of assets pledged as security for borrowings are:

Particulars	As at 31 March 2026	As at 31 March 2025
Current assets		
Trade receivables	8,558	9,287
Inventories	4,375	4,290
Deposits	32	32
	12,965	**13,609**
Non-current assets		
Land and building (Dabaspet, Bengaluru)	22,768	23,029
Land and building (Bangrakulur, Mangaluru)	4,376	4,377
Building (Kalaburgi/ Gulbarga)	33	36
Building (Davangere)	138	143
Building (Gadag)	78	83
Building (Dharwad)	88	90
Vehicles	30,333	31,336
	57,814	**59,094**
Total assets pledged as security	**70,779**	**72,703**

(C) Reconciliation of movement of liabilities to cash flow arising from financing activities

Particulars	Borrowings	Lease liabilities
As at 1 April 2024	**28,161**	**75,704**
Cash flows (net)	13,736	(18,492)
Non cash movement: Accreditation of interest on lease liabilities, new lease contracts, lease modification and interest on borrowings	3,048	20,651
As at 31 March 2025	**44,945**	**77,863**
Cash flows (net)	(2,645)	(19,649)
Non cash movement: Accreditation of interest on lease liabilities, new lease contracts, lease modification and interest on borrowings	3,269	11,630
As at 31 March 2026	**45,569**	**69,844**

(Amount in ₹ lakhs, unless otherwise specified)

(D) Borrowing secured against current assets

The Company has sanctioned borrowings/ facilities from banks on the basis of security of current assets. The quarterly returns or statements of trade receivables and inventory are filed by the Company with banks regularly and the required reconciliation is presented below.

Quarter ended	Particulars	Amount as per books of account of the Company	Amount as reported in quarterly return/ statement	Amount of difference*
31 December 2025	Inventory	3,996	3,922	74
30 September 2025	Inventory	3,952	3,866	86
30 June 2025	Inventory	4,049	3,963	86

The quarterly return for 31 March 2026 is yet to be filed.

*Differences are due to inventory reported in the quarterly return/ statement does not include stationery stock held by the Company as at quarter end.

14 Other financial liabilities

Particulars	As at 31 March 2026		As at 31 March 2025	
	Non-current	Current	Non-current	Current
Deposit from agents and customers	409	-	334	-
Deposit related to leased premises	31	46	26	1
Deposit from drivers*	1,050	-	925	-
Unclaimed dividend **	-	14	-	11
Employee related payables	-	5,283	-	4,929
Other liabilities^	-	423	-	252
Capital creditors	-	26	-	20
	1,490	**5,792**	**1,285**	**5,213**

*Settlement is due on separation/ retirement

**No amounts are due to be transferred to the Investor Education and Protection Fund under section 125 of the Act.

^Primarily includes claims payable on death of employees/ drivers and pending TDS settlement with customers

Refer note 33 for information on liquidity risk.

15 Provisions

Particulars	As at 31 March 2026		As at 31 March 2025	
	Non-current	Current	Non-current	Current
Provision for employee benefits				
- Gratuity (refer note (b) below)	5,455	1,306	3,224	1,746
- Compensated absences (refer note (c) below)	1,631	442	1,466	357
	7,086	**1,748**	**4,690**	**2,103**

(a) Defined contribution plans

The following amount is recognised in the statement of profit and loss for the year ended:

Particulars	31 March 2026	31 March 2025
Contribution to provident fund	3,580	3,459
Contribution to employees' state insurance	602	762
Contribution to labour welfare fund	21	14
	4,203	**4,235**

(Amount in ₹ lakhs, unless otherwise specified)

Above amounts have been included in the line item "Contribution to provident fund and other funds" in note 23. Also, the obligation of the Company is limited to the amount contributed and it has no further contractual or con structive obligation.

(b) Defined benefit plans - gratuity

Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service. This defined benefit plan is governed by The Payment of Gratuity Act, 1972. The gratuity plan for the staff is a funded plan and the Company makes contributions to VRL Employees Group Gratuity Trust. Liabilities in respect of the gratuity plan are determined by an actuarial valuation, based upon which the Company makes contributions to the above mentioned fund. The trustees of the fund are responsible for the overall governance of the plan in accordance with the provisions of the trust deed and rules in the best interests of the plan participants. They are tasked with periodic reviews of the solvency of the fund and play a role in the long-term investment, risk management and funding strategy. The gratuity plan for drivers and hamals is an unfunded plan.

The Company's investment strategy in respect of its funded plan is implemented within the framework of the applicable statutory requirements. The plan expose the Company to a number of actuarial risks such as investment risk, interest rate risk, longevity risk and inflation risk. The Company has developed policy guidelines for the allocation of assets to different classes with the objective of controlling risk and maintaining the right balance between risk and long-term returns in order to limit the cost to the Company for the benefits provided. To achieve this, investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

Each year, the Board of Trustees reviews the level of funding in the plan assets. Such a review includes the asset-liability matching strategy and investment risk management policy. This includes employing the use of annuities and longevity swaps to manage the risks.

Following are the principal assumptions used as at the balance sheet date:

Particulars	**31 March 2026**	**31 March 2025**
Discount rate (% p.a.)	Staff 7.32% Drivers and Hamals 6.70%	Staff 6.69% Drivers and Hamals 6.54%
Salary growth rate (% p.a.)	Staff 6.00% Drivers and Hamals 3.00%	Staff 5.00% Drivers and Hamals 0.05%
Retirement age (in years)	60 years	60 years
Attrition rate	Staff 14% Drivers and Hamals 40%	Staff 14% Drivers and Hamals 40%
Mortality rate	Indian assured lives (2012-14) Ultimate Mortality Table	Indian assured lives (2012-14) Ultimate Mortality Table
Average future service (in years)	Staff - 23.75 years Drivers and Hamals - 23.83 years	Staff - 24.40 years Drivers and Hamals - 24.03 years

These assumptions were developed by the management with the assistance of independent actuarial appraiser. Discount factors are determined close to each year end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience. The estimates of future salary growth rate considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Risks:

Factor	**Impact**
Salary increase	Actual salary increases will increase the obligation. Increase in salary increase rate assumption in future valuations will also increase the obligation.
Discount rate	Reduction in discount rate in subsequent valuations can increase the obligation.
Mortality and disability	Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the obligation.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact the obligation.

Notes to the Financial Statements for the year ended 31 March 2026
(Amount in ₹ lakhs, unless otherwise specified)

Amount recognised in the balance sheet in respect of gratuity liability (defined benefit plan) and plan assets is as follows:

Particulars	As at 31 March 2026	As at 31 March 2025
Present value of defined benefit obligation ('DBO')	8,591	7,181
Plan assets	1,830	2,211
Net liability recognised in the balance sheet	**6,761**	**4,970**

Bifurcation of DBO

Particulars	As at 31 March 2026	As at 31 March 2025
Gratuity		
Current	1,306	1,746
Non-current	5,455	3,224

Changes in the present value of DBO and plan assets are as follows:

Particulars	31 March 2026	31 March 2025
Present value of DBO as at the beginning of the year	7,181	6,544
Current service cost	1,165	997
Past service cost	-	-
Interest expense (net)	453	407
Actuarial loss	523	76
Benefits paid from the fund	(522)	(705)
Benefits paid directly by the employer	(209)	(138)
Present value of DBO as at the end of the year	**8,591**	**7,181**

Particulars	31 March 2026	31 March 2025
Fair value of plan assets at the beginning of the year	2,212	2,738
Expected return on plan assets	130	160
Return on plan assets excluding interest income	10	19
Charges	-	(0)
Benefits paid	(522)	(705)
Fair value of plan assets at the end of the year	**1,830**	**2,212**

The major categories of plan assets are as follows:

Particulars	As at 31 March 2026	As at 31 March 2025
Unquoted		
Insurer managed funds	**100%**	**100%**

Amount recognised in the statement of profit and loss in respect of gratuity cost (defined benefit plan) is

Particulars	31 March 2026	31 March 2025
Current service cost	1,165	997
Past service cost	-	-
Interest expense (net)	453	407
Expected return on plan assets	(130)	(160)
Employee benefit expense recognised in profit or loss	**1,488**	**1,244**
Actuarial loss/ (gain) transferred to OCI		
Actuarial loss/ (gain) arising from:		
- Demographic assumptions	-	-
- Financial assumptions	400	218
- Experience adjustments	123	(141)
Return on plan assets excluding interest income	(10)	(19)
Net actuarial loss recognised in OCI	**513**	**58**

Sensitivity analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, salary growth rate, and attrition rate. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of the sensitivity analysis are given below:

Particulars	31 March 2026		31 March 2025	
	Increase	Decrease	Increase	Decrease
Discount rate (+/- 1%)	(455)	509	(384)	429
Salary growth rate (+/- 1%)	478	(435)	407	(369)
Attrition rate (+/- 1%)	(188)	1	16	(19)
Mortality (+/- 10%)	1	(1)	1	(1)

The sensitivity analysis presented above may not be a representation of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be related to each other.

Maturity profile of DBO on an undiscounted basis:

Particulars	31 March 2026	31 March 2025
1 year	1,383	1,028
2 to 5 years	4,114	2,479
6 years and above	10,387	3,675

The weighted average duration of DBO at the end of the reporting period for staff is 7.15 years (31 March 2025: 7.22 years).

The weighted average duration of DBO at the end of the reporting period for drivers and hamals is 3.38 years (31 March 2025: 3.25 years).

The Company expects to make a contribution of ₹ 754 lakhs (31 March 2025: ₹ 1,230 lakhs) to the defined benefit plan during the next financial year.

(c) Compensated absences

The leave obligations cover the Company's liability for sick and earned leave. Leave encashment is payable to the eligible employees on separation from the entity due to death, retirement, superannuation or resignation. All eligible employees are entitled to avail leave while serving in the entity. Accumulating paid absences (earned leaves) may be either vesting (in other words, employees are entitled to a cash payment for unused entitlement on superannuation or resignation or retirement) or non-vesting (when employees are not entitled to a cash payment for unused entitlement on superannuation or resignation or retirement). An obligation arises as employees render service that increases their entitlement to future paid absences. The obligation exists, and is recognised, even if the paid absences are non-vesting, although the possibility that employees may leave before they use an accumulated non-vesting entitlement affects the measurement of that obligation.

(Amount in ₹ lakhs, unless otherwise specified)

Employees are also entitled to sick leave during their service tenure. Sick leave is a non-vesting benefit, meaning employees are not entitled to cash payment for unused entitlement on separation. However, an obligation arises as employees render service that increases their entitlement to future paid absences. The liability for non-vesting sick leave are actuarially valued and is recognized to the extent it is expected to be utilized by employees while in service.

Following are the principal assumptions used as at the balance sheet date:

Particulars	As at 31 March 2026	As at 31 March 2025
Discount rate (% p.a.)	7.32%	6.69%
Salary growth rate (% p.a.)	6.00%	5.00%
Attrition rate	14.00%	14.00%
Average expected future service (in years)	23.79 years	24.39 years
Retirement age (in years)	60 years	60 years
Mortality	Indian assured lives (2012-14) Ultimate Mortality Table	Indian assured lives (2012-14) Ultimate Mortality Table

Movement during the year

Particulars	As at 31 March 2026	As at 31 March 2025
At the beginning of the year	1,823	1,472
Recognised during the year	748	550
Paid during the year	(498)	(199)
At the end of the year	**2,073**	**1,823**

Bifurcation of provision for compensated absences:

Particulars	As at 31 March 2026	As at 31 March 2025
Non-current	1,631	1,466
Current	442	357
	2,073	**1,823**

Sensitivity analysis:
Significant actuarial assumptions for the determination of the compensated absences provision are discount rate, salary growth rate, and attrition rate. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of the sensitivity analysis are given below:

Particulars	As at 31 March 2026		As at 31 March 2025	
	Increase	Decrease	Increase	Decrease
Discount rate (+/- 1%)	(127)	145	(113)	128
Salary growth rate (+/- 1%)	133	(119)	119	(106)
Attrition rate (+/- 1%)	5	(7)	8	(11)
Mortality (+/- 10%)	0	(0)	0	(0)

The sensitivity analysis presented above may not be a representation of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be related to each other.

(Amount in ₹ lakhs, unless otherwise specified)

16 Deferred tax liabilities (net)

Particulars	As at 31 March 2026	As at 31 March 2025
Deferred tax liabilities arising on account of		
Timing difference between book depreciation and depreciation as per the Income-tax Act, 1961	14,658	13,146
ROU assets	15,018	16,566
	29,676	**29,712**
Deferred tax assets arising on account of		
Loss allowance	85	92
Provision for employee benefits	2,723	2,227
Lease liabilities	18,179	19,233
Tax under section 56(2)(x) of the Income-tax Act, 1961	383	383
	21,370	**21,935**
Deferred tax liabilities (net)	**8,306**	**7,777**

Movement in deferred tax assets/ (liabilities)

Particulars	As at 1 April 2024	Recognised directly in equity	Recognised in profit or loss	Recognised in OCI	As at 31 March 2025
Timing difference between book depreciation and depreciation as per the Income-tax Act, 1961 **	(10,485)	-	(2,661)	-	(13,146)
ROU assets	(16,801)	-	235	-	(16,566)
Loss allowance	111	-	(19)	-	92
Provision for employee benefits	1,744	-	468	15	2,227
Lease liabilities	18,712	-	521	-	19,233
Tax under section 56(2)(x) of the Income-tax Act, 1961	-	-	383	-	383
	(6,719)	**-**	**(1,073)**	**15**	**(7,777)**

Particulars	As at 1 April 2025	Recognised directly in equity	Recognised in profit or loss	Recognised in OCI	As at 31 March 2026
Timing difference between book depreciation and depreciation as per the Income-tax Act, 1961 **	(13,146)	-	(1,512)	-	(14,658)
ROU assets *	(16,566)	-	1,548	-	(15,018)
Loss allowance	92	-	(7)	-	85
Provision for employee benefits	2,227	-	367	129	2,723
Lease liabilities *	19,233	-	(1,054)	-	18,179
Tax under section 56(2)(x) of the Income-tax Act, 1961	383	-	-	-	383
	(7,777)	**-**	**(658)**	**129**	**(8,306)**

(Amount in ₹ lakhs, unless otherwise specified)

As per Ind AS 12 "Income Taxes", a deferred tax asset ('DTA') shall be recognised for the carry forward of unused tax loss, unused tax credits and taxable timing differences to the extent it is probable that future taxable profit will be available against which the unused tax loss, unused tax credits and taxable timing differences can be utilised.

The Company offsets tax assets and tax liabilities, if and only if, it has a legally enforceable right to set off tax assets and tax liabilities and entity's intention is to settle on a net basis or to realise the asset and settle the liabilities simultaneously, and deferred tax assets and deferred tax liabilities relate to the income taxes levied by the same tax authorities.

* The movement during the year is primarily due to the termination of significant lease contracts. The derecognition of ROU assets and related lease liabilities gave rise to changes in temporary differences, resulting in a net increase in taxable temporary differences.

** The increase during the year is primarily on account of the acquisition of vehicles, where depreciation is claimed at higher rates under the Income-tax Act compared to the SLM method over a longer useful life under the Act. This timing difference has led to an increase in taxable temporary differences.

17 Trade payables

Particulars	As at 31 March 2026	As at 31 March 2025
Dues to micro enterprises and small enterprises (refer note below)	32	16
Dues to creditors other than micro enterprises and small enterprises	2,593	3,070
	2,625	**3,086**
Due to related parties	9	11

Notes:

1) Refer note 33 for information on liquidity risk.

2) Trade payables are non-interest bearing and are normally settled within 30 to 45 days.

Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006

Particulars		As at 31 March 2026	As at 31 March 2025
a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	a) Principal	32	16
	b) Interest	-	-
b) The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year.	a) Principal	-	-
	b) Interest	-	-
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 MSMED Act, 2006.		-	-
d) The amount of interest accrued and remaining unpaid at the end of the year.	a) Total Interest accrued	-	-
	b) Total Interest unpaid	-	-
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006.		-	-

(Amount in ₹ lakhs, unless otherwise specified)

The management has identified enterprises which qualify under the definition of micro enterprises and small enterprises, as defined under the MSMED Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at year end has been made in the standalone financial statements based on the information received and available with the Company and has been relied upon by the statutory auditors.

There are no overdue principal amounts/ interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the year or on balance brought forward from previous year.

Ageing schedule

As at 31 March 2026

Particulars	Unbilled	Outstanding for following periods from date of transaction					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues - MSME	-	32	-	-	-	-	**32**
Undisputed dues - Other than MSME	1,578	902	98	15	-	0	**2,593**
Disputed dues - MSME	-	-	-	-	-	-	**-**
Disputed dues - Other than MSME	-	-	-	-	-	-	**-**
	1,578	**934**	**98**	**15**	**-**	**0**	**2,625**

As at 31 March 2025

Particulars	Unbilled	Outstanding for following periods from date of transaction					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues - MSME	-	16	-	-	-	-	**16**
Undisputed dues - Other than MSME	1,780	1,288	-	-	-	2	**3,070**
Disputed dues - MSME	-	-	-	-	-	-	**-**
Disputed dues - Other than MSME	-	-	-	-	-	-	**-**
	1,780	**1,304**	**-**	**-**	**-**	**2**	**3,086**

18 Other current liabilities

Particulars	As at 31 March 2026	As at 31 March 2025
Advances		
Revenue received in advance	1,273	920
Others		
Payables to related parties (refer note 35)	-	8
Statutory dues	1,073	1,081
	2,346	**2,009**

Notes to the Financial Statements for the year ended 31 March 2026

(Amount in ₹ lakhs, unless otherwise specified)

19 Income tax assets / liabilities (net)

Particulars	As at 31 March 2026	As at 31 March 2025
Advance tax (net of provision for tax of ₹ 30,266 lakhs, 31 March 2025: ₹ 35,612 lakhs)	1,027	2,830
Provision for tax (net of advance tax of ₹ 11,553 lakhs, 31 March 2025: ₹ 4,429 lakhs)	1,464	1,141
Income tax (liability) / asset - net	**(437)**	**1,689**

20 Revenue from operations

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Revenue from contracts with customers		
Sale of services		
Goods transport services	318,549	312,534
Courier services	1,828	1,762
	320,377	**314,296**
Other operating revenues		
Sale of scrap	1,734	1,799
	322,111	**316,095**

(a) Performance obligation

In case of goods transport and courier service, revenue is recognised on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. The performance obligation is satisfied at a point in time.

Revenue from sale of scrap is recognised at the point in time when controls of the goods is transferred to the customer in accordance with the terms of the contract.

(b) Disaggregation of revenue

The tables below present disaggregated revenue from contracts with customers by customer location (geography), timing of revenue recognition, and type of channel. The Company believes this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors..

Disaggregation of revenue by geographical region

India	320,377	314,296
Outside India	-	-
	320,377	**314,296**
Timing of revenue recognition		
Revenue recognition at a point in time	320,377	314,296
Revenue recognition over a period of time	-	-
	320,377	**314,296**
Revenue recognition by channel		
Full Truck Load ('FTL')	28,081	26,265
Less than Truck Load ('LTL')	290,468	286,269
Courier services	1,828	1,762
	320,377	**314,296**

(c) Reconciliation between the contract price and revenue from contracts with customers

Contract price	321,561	317,726
Less:		
Credit notes	(1,074)	(2,880)
Discount	(110)	(550)
Revenue from contract with customers	**320,377**	**314,296**

(d) Outstanding balance of trade receivables

	As at 31 March 2026	As at 31 March 2025
Trade receivables (net)	8,558	9,287

Balance of trade receivables as at 1 April 2024 was ₹ 8,849 lakhs

(e) Changes in contract liabilities (Revenue received in advance) (refer note 18)

	31 March 2026	31 March 2025
Balance at the beginning of the year	920	1,192
Net revenue recognised that was included in the balance at the beginning of the year	(920)	(1,192)
Additional advance received during the year	1,273	920
Balance at the end of the year	**1,273**	**920**

(f) Remaining performance obligation

As at 31 March 2026, the aggregate amount of transaction price allocated to remaining performance obligations is ₹ 1,273 lakhs (31 March 2025: ₹920 lakhs) of which approximately 100% (31 March 2025: 100%) is expected to be recognised as revenue within next one year.

(g) Contracts do not have a significant financing component.

(h) No single external customer represents 10% or more of the Company's total revenue for the years ended 31 March 2026 and 31 March 2025.

21 Other income

	Year ended 31 March 2026	Year ended 31 March 2025
Rental income	630	366
Interest income on financial assets carried at amortised cost		
- bank deposits	152	6
- margin deposits	3	-
- income tax refund	117	5
Dividend income from equity investment designated at FVTPL	1	1
Profit on sale of PPE (net)	-	797
Interest income resulting from fair valuation of security deposits	253	317
Liabilities/ provisions for earlier years no longer required written back/ reversed	-	136
Gain on lease modification	725	308
Miscellaneous income	486	486
	2,367	**2,422**

22 Freight, handling and servicing cost

	Year ended 31 March 2026	Year ended 31 March 2025
Lorry hire	15,571	17,662
Diesel cost	80,821	87,055
Vehicle running, repairs and maintenance (net)	17,376	15,592
Stores and spares consumed	7,799	7,235
Tyres and flaps	6,676	7,609
Bridge and toll charges	24,368	24,575
Repairs and maintenance		
Plant and equipment	342	336
Buildings	1,081	1,006
Others	290	253
Security charges	219	389

(Amount in ₹ lakhs, unless otherwise specified)

Power	1,037	1,062
Rent (refer note 32)	7,987	7,548
Vehicle taxes	2,338	2,394
Insurance	2,876	2,939
Agency commission	2,821	2,645
Hamali charges	20,293	21,031
Clearing and forwarding charges	170	224
Claims	183	259
	192,248	**199,814**

23 Employee benefits expense	**Year ended 31 March 2026**	**Year ended 31 March 2025**
Salaries, wages and bonus [refer note 15(c) and 15(f)]	50,655	46,749
Contribution to provident fund and other funds [refer note 15(a)]	4,203	4,235
Gratuity expense [refer note 14(b)]	1,488	1,246
Staff welfare expenses	2,393	2,287
	58,739	**54,517**

24 Finance costs	**Year ended 31 March 2026**	**Year ended 31 March 2025**
Interest expense on financial liabilities measured at amortised cost	3,170	3,048
Interest on security deposit from agents	9	7
Interest on lease liability (refer note 32)	6,220	6,420
Other borrowing costs	99	8
	9,498	**9,483**

25 Depreciation and amortisation expense

	Year ended 31 March 2026	**Year ended 31 March 2025**
Depreciation of property, plant and equipment (refer note 2A)	10,903	9,430
Depreciation of right-of-use assets (refer note 2A)	15,190	15,922
Depreciation of investment properties (refer note 3)	2	2
Amortisation of intangible assets (refer note 4)	8	9
	26,103	**25,363**

26 Other expenses

	Year ended 31 March 2026	**Year ended 31 March 2025**
Travelling and conveyance	2,030	1,608
Printing and stationery	731	790
Legal and professional fees	864	377
Auditor's remuneration (refer details below)	97	83
Office expenses	190	180
Communication costs	528	509
Corporate social responsibility expenses (refer note 31)	405	376
Advertisement and business promotion expenses	207	102
Loss on sale of property, plant and equipment (net)	656	-
Loss allowance	1	62
Bank charges	164	87
Donation	2	2
Directors' sitting fees	22	24
Miscellaneous expenses	205	145
	6,102	**4,345**

Notes:

Auditor's remuneration (including goods and services tax)

Notes to the Financial Statements for the year ended 31 March 2026

(Amount in ₹ lakhs, unless otherwise specified)

	Year ended 31 March 2026	Year ended 31 March 2025
As auditors:		
Audit fee and fees for limited reviews (current auditors)	75	-
Audit fee and fees for limited reviews (predecessor auditors)	21	83
In other capacity:		
Certification fees	1	-
Reimbursement of expenses	-	-
	97	**83**

27 Income taxes

(a) Income tax expense on profit or loss

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Current tax:		
Current tax for the year	7,510	5,570
Current tax in respect of earlier years	(63)	60
Deferred tax:		
In respect of current year origination and reversal of temporary differences - expense	658	1,073
	8,105	**6,703**
(b) Income tax on OCI		
Deferred tax		
In respect of current year origination and reversal of temporary differences - (credit)	(129)	(15)
	(129)	**(15)**
	7,976	**6,688**

(c) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Accounting profit before income tax	31,788	24,995
Applicable Indian statutory income-tax rate (in %)	25.17%	25.17%
Computed expected tax expense	**8,000**	**6,291**
Tax effect of:		
Changes in estimates related to prior years	(63)	60
Permanent disallowance *	102	95
Deduction under section 24 of the Income-tax Act, 1961	(4)	(4)
Tax paid on differential amount between SDV and consideration	-	675
Differential tax rate on capital gains on sale of land	-	(16)
Other items	70	(398)
Tax expense reported in profit or loss	**8,105**	**6,703**

*Primarily includes donation and CSR expenditure

28 Earnings Per Share

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

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

(Amount in ₹ lakhs, unless otherwise specified)

	Particulars	31 March 2026	31 March 2025
	The components of basic and diluted EPS are as follows:		
(a)	Attributable to equity shareholders of the entity (basic)	23,683	18,292
(b)	Weighted average number of equity shares (basic)		
	Opening balance	87,468,495	87,468,495
	Effect of bonus shares (refer note 12)	87,468,495	87,468,495
	Weighted average number of equity shares for the year	174,936,990	174,936,990
(c)	**Basic earnings per equity share (in ₹)**	**13.54**	**10.46**
(d)	Profit attributable to equity shareholders of the parent entity (diluted)	23,683	18,292
(e)	Weighted average number of equity shares (diluted)		
	Weighted average number of equity shares (basic)	174,936,990	174,936,990
	Weighted average number of equity shares for the year	174,936,990	174,936,990
(f)	**Diluted earnings per equity share (in ₹)**	**13.54**	**10.46**
(g)	**Nominal value of each equity share (in ₹)**	**10.00**	**10.00**

*In accordance with Ind AS 33 "Earnings per Share", the figures of earnings per share presented have been restated to give the effect of allotment of bonus shares.

29 Contingent liabilities

	Particulars	Footnote	As at 31 March 2026	As at 31 March 2025
A]	**Claims against the Company not acknowledged as debts**			
	Disputed claims pending in courts	(i)	359	355
	Claims not received against goods transport consignments		70	58
B]	**Other matters for which the Company is contingently liable in respect of disputed demands for matters under appeal for**			
	Income tax	(f), (j)	2,198	5,020
	Customs duty	(f), (h)	1,569	1,569
	Service tax	(f)	690	639
	Goods and services tax	(f)	417	408
	Additional bonus that may be payable		-	202

Footnotes:

(a) The Company is contesting all of the above demands and the management believes that its positions are likely to be upheld at the appellate stage. No expense has been accrued in the financial statements for the aforesaid demands. The management believes that the ultimate outcome of these proceedings are not expected to have a material adverse effect on the Company's financial position and results of operations and hence no provision has been made in this regard.

(b) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above, pending resolution of the respective proceedings.

(c) The amounts disclosed above represent the best possible estimates arrived at on the basis of available information and do not include any interest/ penalty payable.

(d) The Company does not expect any reimbursements in respect of the above contingent liabilities.

(e) Amount outstanding as at balance sheet date represents gross demand raised by the tax authorities, as amount paid under protest is not charged to the statement of profit and loss by the Company.

(f) It represents demands raised by direct and indirect tax authorities on various grounds, which are contested by the Company.

(g) The Department of Stamps and Registration, Government of Karnataka issued a notice to the Company regarding stamp duty alleged to be payable on the acknowledgment of delivery of letters, documents, parcels, packages, or consignments, in accordance with Article 1(ii) of the Schedule to the Karnataka Stamp Act, 1957. The Company challenged the constitutional validity of this provision by filing a Writ Petition before the Hon'ble High Court of Karnataka, Circuit Bench at Dharwad.

During the hearing, the Hon'ble Court directed that, upon deposit of ₹25 lakhs, the authorities shall refrain from taking any coercive action against the Company and shall proceed to determine the applicable stamp duty liability. The Company deposited ₹ 25 lakhs with respect to such matter. The department has not yet determined the quantum of stamp duty, if any, payable by the Company.

Based on the assessment of the management, no financial liability is expected to arise from this matter. As the potential financial impact, if any, cannot presently be ascertained, no amount has been recognized or disclosed as a contingent liability in this regard.

(h) The customs duty matter pertains to an alleged violation of the terms and conditions of the Non-Scheduled Air Transport Service, as asserted by the Customs Department to the extent the liability can be quantified. The Department issued a Show Cause-cum-Demand Notice alleging non-compliance with the applicable conditions and, among other claims, sought to levy customs duty on the import of an aircraft along with interest and associated penalties/ fines. The Company had originally availed the exemption permitted under the Customs Act, 1962 (the 'Customs Act') and had been assessed at Nil duty at the time of import.

The Company, without prejudice to its legal rights, deposited the customs duty and interest demanded amounting to ₹ 688 lakhs under protest and submitted detailed responses contesting the allegations raised in the notice. During financial year 2023-24, CESTAT (Ahmedabad) ruled in the favour of the Company, and the Customs Department refunded the amount deposited earlier. Following this, the Company has made an application seeking interest on the refunded amount for the period it remained under protest.

During the financial year 2024-25, the Customs Department filed a civil application with the Gujarat High Court challenging the CESTAT (Ahmedabad) order and seeking condonation of delay. The High Court issued a notice to the Company.

In a separate matter, the Company received an order requiring payment of differential customs duty amounting to ₹ 4 lakhs relating to the import of an aircraft windshield for maintenance purposes. The Company filed an appeal against this order, and the matter remains pending adjudication.

(i) It represents the estimated liability based on independent legal opinion obtained by the management in relation to various cases of Motor Vehicle Accidents, consumer disputes, workmen compensation, etc. filed against the Company.

(j) With respect to income tax, the Company received assessment orders from the Income Tax authorities for financial year 2016-17 in respect of certain matters which are currently under dispute. These primarily relate to (i) disallowance of gratuity (ii) denial of deduction under Section 80JJAA of the Income-tax Act, 1961 ('IT Act') on account of procedural delay in filing Form 10DA, (iii) disallowance of certain aircraft-related expenses, (iv) addition made by applying an average profit margin for AY 2017-18 without considering the increase in various operating costs, and (v) disallowance of lease-related expenses and leasehold improvements treated as capital in nature, and raised a demand for aforementioned matters amounting to ₹ 1,226 lakhs.

The Company had filed appeals against these matters. Based on legal advice and internal assessment, management believes that these positions are tenable and does not expect any material liability to arise on their ultimate resolution.

(k) During the financial year 2025–26, the assessment for FY 2023–24 was completed under section 143(3) of the Income-tax Act. The assessment was completed by accepting the Return of Income as filed by the Company without any disallowances or any additions. Subsequently, while processing the order, the Centralized Processing Centre (CPC) raised a demand of ₹ 5,186 lakhs under section 156 of IT Act, primarily due to apparent computational errors, including non-grant of credit for advance tax, TDS/ TCS, and tax paid on buyback not being given the credit , as well as incorrect levy of interest under section 234B of IT Act. Consequently, the Company has filed a rectification application under section 154 of IT Act.

Based on management's assessment, the erroneous demand made by the Income Tax Department does not represent a valid obligation, as it has arisen solely from processing inaccuracies. Accordingly, no amount is payable by the Company and the likelihood of any cash outflow is considered very remote, and therefore this matter does not give rise to either any potential liability or a contingent liability for the purposes of these financial statements.

(Amount in ₹ lakhs, unless otherwise specified)

30 Commitments

(i) Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for

Particulars	As at 31 March 2026	As at 31 March 2025
Property, plant and equipment	7,984	13,697
Less: Capital advances and capital WIP	(5,096)	(2,409)
Net capital commitments	**2,888**	**11,288**

There are no other capital commitments as at 31 March 2026 and 31 March 2025. For lease commitments, refer note 32.

31 Corporate Social Responsibility (CSR)

As per section 135 of the Act, and rules therein, the Company is required to spend at least 2% of its average net profits for three immediately preceding financial years towards CSR activities. The Company has CSR committee as per the Act. The funds are utilised on the activities which are specified in Schedule VII of the Act. Details of CSR expenditure are as follows:

Particulars	31 March 2026	31 March 2025
Gross amount required to be spent by the Company pursuant to section 135(5) of the Act	405	377
Less: Adjustment towards amount spent in excess in previous year	(11)	(37)
Adjusted amount	**394**	**340**
Amount of expenditure incurred on:		
(i) Construction/ acquisition of an asset	-	-
(ii) On purpose other than (i) above	441	351
Amount of shortfall at the end of the year out of the amount required to be spent by the Company	-	-
The total of previous years' shortfall amounts	-	-
The reason for above shortfall	Not applicable	Not applicable
Excess amount carried forward to subsequent year	47	11
To be utilized by:		
31 March 2027	47	11
The nature of CSR activities undertaken by the Company	(i) Community development and infrastructure (ii) Education and skill development (iii) Environment, sports and livelihood (iv) Healthcare and social welfare	
Details of related party transactions in relation to CSR expenditure as per Ind AS 24	-	-

The Company's spend towards CSR does not involve any long term projects and accordingly, disclosure requirements relating to ongoing projects is not applicable as at reporting dates.

32 Leases

(A) Company as a lessee

The Company's leased assets primarily comprise building premises used for branch operations and transshipment hubs, covered under lease agreements with varying lease terms. For extension/ termination options, management exercises significant judgement in determining whether the extension or termination option is reasonably expected to be exercised. Since it is reasonably certain to not exercise extension and/ or termination option, the Company has opted to ignore extension and termination option in determination of lease term. Further, Company is not exposed to any variable lease payments or residual value guarantee.

The incremental borrowing rate applied to lease liabilities is 8.00% (31 March 2025: 8.00%).

Amounts recognised in balance sheet:

Particulars	As at 31 March 2026	As at 31 March 2025
Carrying value of ROU assets		
Buildings	59,672	68,727
Lease liabilities		
Current	15,262	17,494
Non-current	54,582	60,369

Other disclosures

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Depreciation of ROU assets	15,190	15,922
Interest expense on lease liabilities	6,220	6,420
Expense relating to short term leases	7,987	7,548
Total cash outflow for leases (including interest)	19,648	18,492
Additions to ROU assets	13,517	18,878

The details regarding the contractual maturities of lease liabilities as at reporting date on an undiscounted basis are as follows:

As at 31 March 2026	Less than 1 year	1-5 years	More than 5 years
Lease liabilities	15,786	48,880	39,838

As at 31 March 2025	Less than 1 year	1-5 years	More than 5 years
Lease liabilities	18,891	52,064	46,710

Notes:

1. The Company has not entered into any sale and lease back transaction
2. There are no significant restrictions or covenants imposed on leases.
3. Refer note 33 for liquidity risk.

(B) Company as a lessor

The Company has leased out its owned buildings and subleased some space out of its leased premises to lessee.

The Company has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

Rental income recognised by the Company from such arrangements for the year ended 31 March 2026 is ₹ 630 lakhs (31 March 2025: ₹ 366 lakhs).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

Particulars	31 March 2026	31 March 2025
Less than 1 year	861	630
1-2 years	629	861
2-3 years	536	629
3-4 years	510	536
4-5 years	370	510
More than 5 years	854	1,224

33 Financial instruments

A) Financial Instrument by category and hierarchy

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions are used to estimate the fair values:

1. Fair value of cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, trade payables and other current financial assets/ liabilities approximate their carrying amounts largely due to short term maturities of these instruments. The trade receivables do not have a significant financing component and there is no significant benefit of financing to either of the parties.

2. Financial instruments are evaluated by the Company based on parameters such as individual credit worthiness of the counter-party. Based on this evaluation, allowances are taken to account for expected losses on these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

3. The fair value for deposits is calculated based on cash flows discounted using market interest rate on the date of initial recognition and subsequently on each reporting date. The lease liability is initially recognised at the present value of the future lease payments and is discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates and subsequently measured at amortised cost.

4. The fair value of long term borrowings approximate their carrying amounts due to the fact that no significant upfront fees is paid as compensation to secure the borrowing and the interest rate is equal to the market interest rate.

5. Based on management's assessment, the fair value of the investment in unquoted equity instruments approximates their carrying amount, having regard to the nature of the investee, recent financial information available, and absence of observable indicators of impairment or value enhancement. Accordingly, no material fair value gain or loss is recognised.

6. The Company receives refundable security deposits from various agencies/ business partners in the ordinary course of its operations across different jurisdictions. These deposits are non-interest bearing and are repayable upon cessation of the respective business relationship. The Company has assessed the fair value of such deposits by estimating the expected tenure of the underlying business relationships based on historical trends and applying an appropriate market-based discount rate. Based on this evaluation, the difference between the transaction value and the fair value of these deposits at initial recognition is not material to the financial statements. Accordingly, these deposits are recognised at their transaction value, which approximates their fair value, and no material adjustment has been recorded on account of discounting. This assessment is reviewed periodically.

7. The Company collects refundable security deposits from certain drivers as a risk mitigation measure. These deposits are non-interest bearing and are refundable upon cessation of employment or retirement, subject to applicable terms. The Company assess the fair value of such deposits by estimating the expected tenure of employment based on historical attrition patterns and applying an appropriate market-based discount rate. Based on the assessment, the difference between the transaction value and the fair value at initial recognition is not material to the financial statements. Accordingly, these deposits are recognised at their transaction value, which approximates their fair value, and no material adjustment has been recorded on account of discounting. This assessment is reviewed periodically.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical financial assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the financial asset or liability, either directly (i.e. as prices) or indirectly (i.e., derived from prices).

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data (unobservable inputs). This means that fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. However, the fair value measurement objective remains the same, that is, to estimate an exit price from the perspective of the Company.

There have been no transfer amongst the levels of fair value hierarchy during the year.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(Amount in ₹ lakhs, unless otherwise specified)

31 March 2026

Particulars	Carrying amount					Fair value			
	Fair value - derivative instruments	Mandatorily at FVTPL	Financial assets at amortised cos	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Investment in equity instruments	-	6	-	-	**6**	-	-	6	**6**
Financial assets not measured at FVTPL									
Trade receivables	-	-	8,558	-	**8,558**	-	-	-	**-**
Cash and cash equivalents	-	-	1,548	-	**1,548**	-	-	-	**-**
Bank balances other than cash and cash equivalents	-	-	14	-	**14**	-	-	-	**-**
Bank and margin deposits	-	-	129	-	**129**	-	-	-	**-**
Lease deposits	-	-	4,796	-	**4,796**	-	-	-	**-**
Other financial assets	-	-	471	-	**471**	-	-	-	**-**
	-	**6**	**15,516**	**-**	**15,522**	**-**	**-**	**6**	**6**
Financial liabilities measured at FVTPL	-	-	-	-	**-**	-	-	-	**-**
Financial liabilities not measured at FVTPL									
Borrowings	-	-	-	45,569	**45,569**	-	-	-	**-**
Lease liabilities	-	-	-	69,844	**69,844**	-	-	-	**-**
Trade payables	-	-	-	2,625	**2,625**	-	-	-	**-**
Other financial liabilities	-	-	-	7,282	**7,282**	-	-	-	**-**
	-	**-**	**-**	**125,320**	**125,320**	**-**	**-**	**-**	**-**

31 March 2025

Particulars	Carrying amount					Fair value			
	Fair value - derivative instruments	Mandatorily at FVTPL	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Investment in equity instruments	-	6	-	-	**6**	-	-	6	**6**
Financial assets not measured at FVTPL									
Trade receivables									
Cash and cash equivalents	-	-	9,287	-	**9,287**	-	-	-	**-**
Bank balances other than	-	-	5,312	-	**5,312**	-	-	-	**-**
cash and cash equivalents	-	-	11	-	**11**	-	-	-	**-**
Bank and margin deposits	-	-	91	-	**91**	-	-	-	**-**
Leased deposits	-	-	5,098	-	**5,098**	-	-	-	**-**
Other financial assets	-	-	374	-	**374**	-	-	-	**-**
	-	**6**	**20,173**	**-**	**20,179**	**-**	**-**	**6**	**6**

Financial liabilities measured at FVTPL	-	-	-	-	-	-	-	-	-
Financial liabilities not measured at FVTPL									
Borrowings	-	-	-	44,945	44,945	-	-	-	-
Lease liabilities	-	-	-	77,863	77,863	-	-	-	-
Trade payables	-	-	-	3,086	3,086	-	-	-	-
Other financial liabilities	-	-	-	6,497	6,497	-	-	-	-
	-	**-**	**-**	**132,391**	**132,391**	**-**	**-**	**-**	**-**

Valuation techniques and significant unobservable inputs (Level 2 and Level 3) - The investment in unquoted equity shares is not material.

B) Financial risk management objectives and policies

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects performance. The Company has implemented a robust Business Risk Management framework to identify and evaluate business risks and opportunities. This framework seeks to create transparency and minimise adverse impact on the business and also enhance the Company's competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework has different risk models for identifying risks, exposure and potential impact analysis at a Company level. The Audit Committee of the Board periodically reviews the risk management framework. Such risks are summarised below:

(a) Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices. The Company's size and operations result in limited exposure to interest risk, which may affect the Company's income and expenses, or the value of its financial instruments. The Company's exposure to and management of this risk is explained below.

Foreign currency risk is not applicable, as the Company's transactions are predominantly denominated in Indian Rupees. Price risk exposure is limited to the Company's investment in unquoted equity instruments. Given that such investment is insignificant in relation to the overall financial position of the Company, and the related fair value changes are not material, the impact of price risk on the statement of profit and loss and equity is not considered significant.

Interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations.

Exposure to interest risk

Particulars	**As at 31 March 2026**	**As at 31 March 2025**
Fixed-rate instruments		
Vehicle loans	11,584	9,491
Variable-rate instruments		
Term loans	21,078	21,920
Vehicle loans	10,073	13,534
Working capital demand loans	284	-
Cash credit facilities	2,493	-
Overdraft facilities	57	-

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected. With all other variables held constant, the Company's profit or loss before tax and Company's equity is affected through the impact on floating rate borrowings, as follows:

Particulars	Equity		Gain/(loss) on profit or loss	
	31 March 2026	31 March 2025	31 March 2026	31 March 2025
Interest rate increases by 50 basis points	(169.92)	(177.27)	(169.92)	(177.27)
Interest rate decreases by 50 basis points	169.92	177.27	169.92	177.27

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Company manages its liquidity needs by monitoring scheduled debt servicing payments for financial liabilities as well as forecast cash inflow and outflows due in day to day business. In addition, processes and policies related to such risks are overseen by senior management. The Company's management monitors the net liquidty position through rolling forecast on the basis of expected cash flows.

The Company has undrawn ₹ 12,700 lakhs cash credit and overdraft facilities that is secured and can be drawn down to meet short-term financing needs. Interest would be payable at a rate mutually agreed with banks at the time of drawdown.

The table below provide details regarding the contractual maturities of significant financial liabilities on an undiscounted basis:

As at 31 March 2026

Particulars	Carrying value	Maturity profile - Undiscounted				
		On demand	Less than one year	One to five years	More than five years	Total
Borrowings	45,569	2,834	9,321	24,805	8,609	**45,569**
Lease liabilities	69,844	-	15,786	48,880	39,838	**104,504**
Trade payables	2,625	-	2,625	-	-	**2,625**
Other financial liabilities	7,282	-	5,792	1,490	-	**7,282**

As at 31 March 2025

Particulars	Carrying value	Maturity profile - Undiscounted				
		On demand	Less than one year	One to five years	More than five years	Total
Borrowings	44,945	-	8,221	25,621	11,103	**44,945**
Lease liabilities	77,863	-	18,891	52,064	46,710	**117,665**
Trade payables	3,086	-	3,086	-	-	**3,086**
Other financial liabilities	6,497	-	5,213	1,285	-	**6,498**

(c) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises from cash and cash equivalents, bank balances other than cash and cash equivalents, security deposits as well as credit exposures to customers including outstanding receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets.

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, forward looking macroeconomic information, analysis of historical bad debts and ageing of accounts receivables. Individual risk limits are set accordingly. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer including the default risk of the industry and country in which the customer operates also has an influence on credit risk assessment.

(Amount in ₹ lakhs, unless otherwise specified)

The expected credit loss rates are based on the payment profiles of sales over a period of 3 years before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macro-economic factors affecting the ability of the customers to settle the receivables. The Company recognises lifetime expected losses for all trade receivables that do not constitute a financing component.

The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

Outstanding customer receivables are regularly monitored.

Other financial assets

The Company periodically monitors the recoverability and credit risks of its other financial assets. The Company evaluates 12 months expected credit losses for all the financial assets for which credit risk has not increased significantly. In case credit risk has increased significantly, the Company considers life time expected credit losses for the purpose of impairment provisioning.

The Company has considered financial condition, current economic trends, forward looking macroeconomic information, analysis of historical bad or doubtful receivables and ageing of receivables related to cash and cash equivalents and bank balances other than cash and cash equivalents, security deposits, and other financial assets. In most of the cases, risk is considered low since the counterparties are reputed organisations with no history of default to the Company and no unfavourable forward looking macro economic factors. Wherever applicable, expected credit loss allowance is recorded.

<u>Cash and cash equivalents, other bank balances including term deposits</u>

The Company's exposure to credit risk is considered low, as it places its surplus funds only with scheduled commercial banks and reputed financial institutions having strong credit profiles.

The Company continuously monitors the creditworthiness of these counterparties and diversifies its deposits across multiple banks to mitigate concentration risk. These financial assets are neither past due nor impaired as at the reporting date.

<u>Security deposits for leased premises</u>

The Company has provided interest-free, refundable security deposits to landlords in respect of rented buildings. These deposits are recoverable at the end of the lease tenure, subject to compliance with the terms and conditions of the respective lease agreements. Credit risk associated with security deposits is considered low as (i) security deposits are provided to identified and contractually bound lessors under legally enforceable lease agreements, (ii) deposits are recoverable against possession of leased premises and are not subject to discretionary settlement, (iii) the Company assesses the creditworthiness and reputation of the lessors at the time of entering into lease arrangements, and (iv) there has been no instance of default or non-recovery of security deposits in the past. Considering these facts, the probability of default is considered remote, and accordingly, no material loss allowance has been recognised during the year.

The following table gives details in respect of geography-wise trade receivables (gross)

Particulars	As at		In %	
	31 March 2026	31 March 2025	31 March 2026	31 March 2025
India	8,558	9,287	100%	100%
Outside India	-	-	0%	0%

Expected credit loss for trade receivables

As at 31 March 2026	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Credit impaired
Gross trade receivables	8,559	42	8	-	2	202
Expected loss rate	0.50%	5%	75%	0%	100%	100%
Expected credit loss	43	2	6	-	2	202

(Amount in ₹ lakhs, unless otherwise specified)

As at 31 March 2025	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Credit impaired
Gross trade receivables	9,139	94	56	-	2	220
Expected loss rate	0%	0%	4%	0%	97%	100%
Expected credit loss	-	-	2	-	2	220

The following table summarises the change in the loss allowance measured using expected credit loss model:

Particulars	Other financial assets		Trade receivables	
	As at 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025
At the beginning of the year	81	197	224	196
Loss allowance created during the year	-	-	31	29
Loss allowance reversed during the year	(32)	(116)	-	(1)
At the end of the year	**49**	**81**	**255**	**224**
Bad debts during the year	-	-	-	-

The Company does not require collateral in respect of trade receivables. Also, there are no such receivables for which no loss allowance is recognised because of collateral.

34 Capital risk management

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. Management considers the amount of capital in proportion to risk and manages the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

A) Gearing ratio:

Particulars	As at 31 March 2026	As at 31 March 2025
Borrowings (#)	45,569	44,945
Less: Cash and cash equivalents (other than restricted balance)	1,548	5,312
Net debt (A)	**44,021**	**39,633**
Total equity (B)	114,244	108,455
Gearing ratio (A/B) (in %)	**39%**	**37%**

(#) Borrowings for this purpose include non-current borrowings (including current maturities), current borrowings, and interest accrued but not due on such borrowings.

The Company is exposed to certain externally imposed capital requirements for its borrowings, i.e., debt-equity ratio, debt-service coverage ratio, etc. The Company is in compliance with all the debt covenants as of the reporting dates.

(Amount in ₹ lakhs, unless otherwise specified)

B) Dividends:

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Equity shares (face value of ₹ 10 each)		
Equity shares		
Interim dividend paid for the year ended 31 March 2025 of ₹ 5 per share	-	4,373
Final dividend paid for the year ended 31 March 2025 of ₹ 10 per share	8,747	-
Interim dividend paid for the year ended 31 March 2026 of ₹ 5 per share	8,747	-

35 Related party disclosures

In accordance with the requirement of Ind AS 24 "Related Party Disclosures", the Company's related parties include its key managerial personnel ('KMP'), post employment benefit plans for the Company's employees and others related parties. Further, the Company does not have a holding or ultimate holding company as at reporting dates.

Transactions up to the date of cessation/ from the date of establishment of related party relationship have been considered for disclosure.

(A) Name of related parties and description of relationship:

Relationship	Name of the related party
Enterprise in which KMP or their close family members have control or significant influence	Vijayanand Foods Private Limited VRL Steel Private Limited Vijayanand Logistics Private Limited (struck off) Vijayanand Infotech Private Limited Vijayanand Travels Private Limited VRL Media Private Limited Vijaykant Dairy And Food Products Limited Sankeshwar Minerals Private Limited (formerly known as Sankeshwar Ventures (India) Private Limited) Sankeshwar Printer Private Limited Hyperkonnect Technologies Private Limited VRL Foundation Aradhana Trust Shri Ayyappa Bhakta Vrunda Trust Karnataka Cancer Therapy and Research Institute

(B) Transactions during the year with related parties

Nature of transactions	Relationship	Year ended 31 March 2026	Year ended 31 March 2025
Goods transport services	Enterprise in which KMP or their close family members have control or significant influence	337	202
Rental income	Enterprise in which KMP or their close family members have control or significant influence	323	226
Sale of spares and services (Miscellaneous income)	Enterprise in which KMP or their close family members have control or significant influence	18	153
Expense incurred by the Company on behalf of related party	Enterprise in which KMP or their close family members have control or significant influence	1	1
Sale of PPE	Enterprise in which KMP or their close family members have control or significant influence	10	1,488
Sale of scrap/ barrels (Miscellaneous income)	Enterprise in which KMP or their close family members have control or significant influence	3	3

(Amount in ₹ lakhs, unless otherwise specified)

Lorry hire	Enterprise in which KMP or their close family members have control or significant influence	76	80
Vehicle running, repairs and maintenance	Enterprise in which KMP or their close family members have control or significant influence	1	1
Travelling and conveyance	Enterprise in which KMP or their close family members have control or significant influence	535	113
Printing and stationery	Enterprise in which KMP or their close family members have control or significant influence	81	87
Advertisement and business promotion expenses	Enterprise in which KMP or their close family members have control or significant influence	4	5
Purchase of PPE	Enterprise in which KMP or their close family members have control or significant influence	15	-
Rent	Enterprise in which KMP or their close family members have control or significant influence	76	13

(C) Amount due to/ from related parties (as at year-end)

Nature of balances	Relationship	As at 31 March 2026	As at 31 March 2025
Receivables for rental income	Enterprise in which KMP or their close family members have control or significant influence	32	34
Trade receivables	Enterprise in which KMP or their close family members have control or significant influence	20	66
Advance to suppliers	Enterprise in which KMP or their close family members have control or significant influence	-	-
Trade payables	Enterprise in which KMP or their close family members have control or significant influence	9	11
Other current liabilities	Enterprise in which KMP or their close family members have control or significant influence	-	8

Notes:

a) All the amounts due to/ from related parties (as at year-end) are unsecured.

b) All the amounts due to/ from related parties (as at year-end), other than advances, will be cash-settled. Goods or services will be received/ provided against the advance given/ taken.

c) Amount disclosed is gross carrying value before considering impact of loss allowance.

d) There have been no guarantees received or provided for any related party during the year. Further, there is no outstanding guarantee as at reporting periods.

(C) Key Management Personnel ('KMP') compensation

Particulars	31 March 2026	31 March 2025
(i) Short term employee benefits	1,416	1,342
(ii) Post employment benefits	-	-
(iii) Other long term benefits (refer note (a) below)	-	-
(iv) Termination benefits	-	-
(v) Share based payment	-	-
(vi) Director sitting fees (independent directors and non-executive directors)	19	20
Payable as at year end	244	170

Notes:

a) The remuneration to the KMP does not include the provisions made for gratuity and compensated absences, as they are determined on an actuarial basis for the Company as a whole.

b) The Company has paid the remuneration to its directors during the year in accordance with the provision of and limits laid down under section 197 read with Schedule V to the Act.

There are no commitments with any related party during the year or as at year end.

All the related party transactions are made on terms equivalent to those that prevail in an arm's length transaction, for which prior approval of Audit Committee was obtained during the years ended 31 March 2026 and 31 March 2025.

Notes to the Financial Statements for the year ended 31 March 2026

(Amount in ₹ lakhs, unless otherwise specified)

36 Financial ratios

The following are the analytical ratios for the year ended 31 March 2026 and 31 March 2025:

Particulars	Unit of Measurement	Numerator	Denominator	As at and for the year ended		Change %	Remarks
				31 March 2026	31 March 2025		
Current ratio	Times	Current assets	Current liabilities	0.49	0.63	(21.29%)	
Debt - equity ratio	Times	Debt	Net worth	0.40	0.41	(3.75%)	
Debt service coverage ratio	Times	Earnings available for debt service	Debt service	1.60	1.47	8.80%	
Return on equity ratio	%	Profit for the year	Average net worth	21.27%	18.02%	18.04%	
Inventory turnover ratio	Times	Diesel cost, tyres and flaps, and stores and spares consumed	Average inventory	22.00	23.75	(7.39%)	
Trade receivables turnover ratio	Times	Revenue from contracts with customers	Average trade receivables	36.10	34.86	3.56%	
Trade payables turnover ratio	Times	Freight, handling & servicing cost, and other expenses	Average trade payables	69.46	88.54	(21.56%)	
Net capital turnover ratio	Times	Revenue from contracts with customers	Average working capital	(18.05)	(19.48)	7.34%	
Net profit ratio	%	Profit for the year	Revenue from contracts with customers	7.35%	5.79%	27.06%	A
Return on capital employed	%	EBIT	Capital employed	24.56%	21.40%	14.80%	
Return on investment	%	Dividend income and interest income on bank/ margin deposits	Average investments in deposits and equity instruments	133.77%	7.08%	1789.95%	B

Notes -

1) Debt = Non current borrowings + Current borrowings
2) Net worth = Paid up share capital + Reserves created out of profit - Accumulated losses
3) Earnings available for debt service = Net profit after tax (excluding OCI) + non cash operating expenses + interest expenses - Non cash income
4) Debt service = Interest expenses + lease payment within next 12 months + principal repayment of borrowings within next 12 months
5) Working capital = Current assets - current liabilities
6) EBIT = Earnings before interest and taxes
7) Capital employed = Tangible net worth (i.e., net worth - intangible assets) + total borrowings + deferred tax liabilities

Notes to the Financial Statements for the year ended 31 March 2026

(Amount in ₹ lakhs, unless otherwise specified)

Reasons for variance of more than 25% as compared to previous year:

(A) The improvement in net profit ratio is primarily driven by significant margin expansion arising from reduction in key operating costs (especially diesel costs), coupled with stable revenue growth by improving freight realisations and disciplined cost management.

(B) The movement is attributable to both higher yield on deployed funds and denominator compression before the year end.

37 Segment information

The Company is primarily engaged into business of goods transport services. The Chief Operating Decision Maker (CODM) reviews the Company's performance as a single segment. As the activities of the Company comprise of only one segment and accordingly, the financial results are reflective of the information required by Ind AS 108 'Operating Segments'. Also, the entire operations of the Company in terms of location of assets are within India.

38 Subsequent events

There are no subsequent events which warrant adjustment or disclosure in the financial statements.

39 Additional regulatory information required by Division II Schedule III of the Act

a) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current and previous year.

b) Relationship with struck off companies

There is no transaction and year-end balance as at 31 March 2026 and 31 March 2025 with struck off companies.

c) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under section 2(87) of the Act for the years ended 31 March 2026 and 31 March 2025.

d) Compliance with approved scheme of arrangements

The Company has not entered into any scheme of arrangement in terms of section 230 to 237 of the Act for the year ended 31 March 2026 and 31 March 2025.

e) Utilisation of borrowed funds and share premium (year ended 31 March 2026 and 31 March 2025)

The Company has not received any fund from any person or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Further, the Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) to any other persons or entities, including foreign entity ('Intermediaries') with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

f) Undisclosed income

The Company has not entered into any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

40 Audit trail

The Ministry of Corporate Affairs (‘MCA’) prescribed a requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules, 2021 requiring companies, which use accounting software for maintaining their books of account, to use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an audit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company has used accounting software for maintaining its books of account which have a feature of audit trail (edit log) facility and the same was enabled at the application level. During the year ended 31 March 2026, the Company has not enabled the feature of recording audit trail (edit log) at the database level for the said accounting software to log any direct data changes. Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention where such feature was enabled.

41 Authorisation of financial statements

The financial statements have been reviewed and recommended by the Audit Committee and were thereafter approved by the Board of Directors of the Company, at their respective meetings held on 18 May 2026.

Previous year figures have been regrouped, reclassified and rearranged wherever necessary, to conform to this year's presentation, and these are not material to the financial statements.

These are the material accounting policies and other explanatory information referred to in our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Bharat Shetty
Partner
Membership No.: 106815

Place : Hubballi
Date : 18 May 2026

For and on behalf of the Board of Directors

Vijay Sankeshwar
Chairman and Managing Director
DIN: 00217714

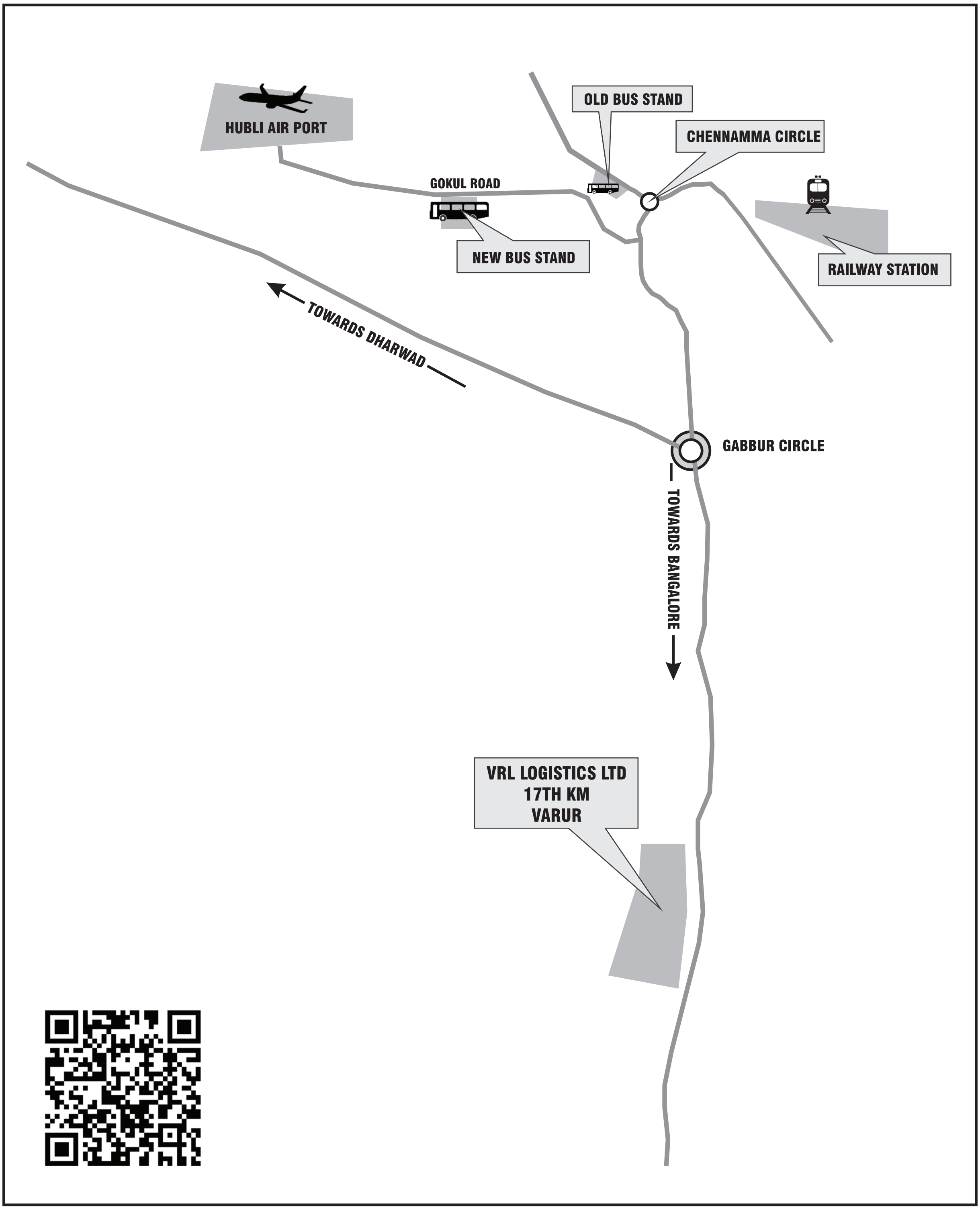
Anand Sankeshwar
Managing Director
DIN: 00217773

Sunil Nalavadi
Chief Financial Officer

Aniruddha Phadnavis
General Manager (Finance)
and Company Secretary

Place : Hubballi
Date : 18 May 2026

Route Map to reach the Registered Office of the Company (AGM Venue)



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TRUST VRL

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